A REVIEW OF THE FISCAL YEAR 1990 BUDGET RELATING TO ITEMS UNDER THE JURISDICTION OF THE SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

(101-1)

HEARINGS

BEFORE THE

SUBCOMMITTEE ON
PUBLIC BUILDINGS AND GROUNDS

OF THE

COMMITTEE ON
PUBLIC WORKS AND TRANSPORTATION
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

FIRST SESSION

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A REVIEW OF THE FISCAL YEAR 1990 BUDGET RELATING TO ITEMS UNDER THE JURISDICTION OF THE SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

WEDNESDAY, MARCH 15, 1989

U.S. House of Representatives,
Subcommittee on Public Buildings and Grounds,
Committee on Public Works and Transportation,
Washington, DC.

The subcommittee met, pursuant to recess, at 10:07 a.m., in room 2167, Rayburn House Office Building, Hon. Douglas Bosco (chairman of the subcommittee) presiding.

Mr. Bosco. The meeting will now come to order.

Our first witness will be George White, Architect of the Capitol. Nice to have you with us, Mr. White. And I understand that you are going to be accompanied by your administrative assistant and budget officer. Is that correct?

Mr. White. That's correct.

Mr. Bosco. Would you like them to join you at the table? We're happy to have you with us today, Mr. White, and feel free to go ahead with your opening statements.

TESTIMONY OF HON. GEORGE M. WHITE, ARCHITECT OF THE CAPITOL, ACCOMPANIED BY WILLIAM F. RAINES, JR., ADMINISTRATIVE ASSISTANT, AND EMANUELE CRUPI, BUDGET OFFICER

Mr. White. Thank you, Mr. Chairman. I'm pleased to be here. I thought I would highlight the prepared statement that you have and then be available to respond to questions that might occur. The Architect's office, as I think you are aware, has responsibility for the care and operation and maintenance of the Capitol Hill Complex of buildings. That is to say the Capitol, the House Office Buildings, the Senate Office Buildings, the Library of Congress, the Supreme Court, the power plant, the Botanic Gardens, the Grounds, the annexes—we have something in the order of magnitude of 12 million square feet under roof. That's the extent of the physical jurisdiction.

We also have, as I believe you are aware, a nursery that is associated with the Botanic Gardens which is 25 acres in size, now located on the other side of the Anacostia River, at the other end of the South Capitol Street Bridge. It is about to be moved to a place called D.C. Village near Bolling Air Force Base. This committee has been involved in that as well.

The funding requests that we make each year are for personnel compensation, annual supplies, maintenance equipment, and so on. We receive separate funding for the various portions of our responsibility, that is, physical responsibilities. We receive funding for the Capitol Building separate from the House Office Buildings and separate from the Senate Office Buildings and so on. The same thing is true for the Library of Congress and the Supreme Court. The authority for those annual appropriation requests is based on permanent statutory authority for the care, operation and maintenance of the buildings and facilities.

That's permanent authority since it involves all of the maintenance items, and it has been provided for by law in all of the various categories. The authority for all nonrecurring project accounts is provided by this committee normally, such as for example, the installation of the solar energy collectors in the House Office Buildings and the modifications and enlargements of the Capitol Power Plant. Those kinds of major public works projects come before this committee for authorization.

This year we have a total increase, an increase, in our appropriations of around $65 million. It's very large because of the number of items that are in it which I will describe.

We have mandatory items, that is to say, personnel benefits and premium pay items, all provided for by law which we necessarily have to request funding for which amounts to six percent of the increase. Annual recurring maintenance amounts to about two percent of the increase, and the bulk of that is for increases in the cost of paint and lumber and various maintenance items that go into the ordinary maintenance of buildings. In other words, basically an inflationary increase.

In addition to that, there are some other increases such as an increase in the cost of warehousing space that we will lease for the Clerk of the House and an increase in the cost of natural gas. We had to convert one of the boilers in the power plant to natural gas from coal, because we didn't have enough capacity in the baghouse filters to handle the exhaust gasses and, therefore, meet the EPA clean air regulations. So we converted that to gas. There are some increases of that nature that are in our annual maintenance costs.

Then we have an item that we call cyclical maintenance which involves things like roof repairs and sidewalk replacement that occur every 10, 15, or 20 years, and of course the accounting system under which we conduct our business, does not have, as in the private sector, a reserve for replacement or a depreciation account. Those things that are depreciating and deteriorating year by year come as a sudden increase in funding when they need to be replaced. The total category is 21 percent of our total increase. Four of the items, just as an example, are the electrical system renovations in the Cannon Building. Both the Cannon Building and the Russell Senate Office Building were built at about the same time in 1908, and the electrical systems in there are just inadequate to handle the amount of power requirement, particularly in the additional office devices we've added in the recent years. The switch gear, the panel boards and the wiring in the building is very old, and while it is working, you can't give it much of an extra request for power without having trouble. So that's one item. It amounts to $2 million over a three-year period. We estimate about $6 million needs to be spent on each of those buildings.

We need to repair the pipe tunnel under North Carolina Avenue that handles steam and chilled water. If you look at North Carolina Avenue at the surface of the street, you'll find all kinds of waves and depressions in it which result from settlement in the street. That's a major item of $5 million.

Retubing the four oil-fired boilers is one-half a million dollars. Replacing the steam lines from the Rayburn Building to the Botanic Gardens is $600,000. It's some items of that nature that, while they are major, they are really ordinary repair that don't happen except once in every 20 or 30 years.

Then we have what we call continuing and initiating other programs which is 70 percent of the increase. Included in this category are funds for such programs as the replacement of the PCB transformers which is required by law. That amounts to about $4 million. Design and construction of additional elevators for the Cannon and Longworth buildings, for which we have received design funds. That's in process now; we have asked for six million, six hundred thousand dollars for that purpose. That hasn't been authorized yet, but the timing for the request for funds is not necessarily commensurate with the authorization process.

By authorization process I mean the House Office Building Commission which would authorize that sort of thing. This committee, of course, has some jurisdiction, I suppose, because it is an additional elevator in a building. On the other hand, the House Office Building Commission by House rule is responsible for the care and maintenance of the House office buildings. Whether that's an item that should come before this committee is something you people would need to decide. In any event, the issue is providing additional vertical transportation in both the Longworth and Cannon buildings no matter who has to authorize it, and we're pursuing that.

The other items that are mentioned in here, the bag-house filter for the coal-fired boiler which amounts to $3 million is the one that I mentioned earlier where we have converted that boiler to gas fired. There is an additional fuel cost of the gas as compared to coal, so we are now reexamining, in terms of the reconversion to coal, how much money that will save as opposed to the $3 million it's going to take us to add the bag-house filter. If it's going to take 30 years, it may not be worth it, so although we've asked for the funding. But it may not be necessary, and of course, because of the timing of the need for the budget request which was last October, we have it in here although it may be withdrawn.

Now that's a brief summary of the major increases for our ongoing care and maintenance, but there are several items, major projects, that I want to report on to you.

The first one is the West Front of the Capitol which was completed in September of 1987, nearly a year ahead of schedule and $25 million under the budget. The Speaker said at the time when we rededicated it, that if he could, he would make me chairman of the Budget Committee since we saved all that money. It was a very facetious remark, of course, but I, never the less, need all the kind words I can get with the kind of role we fill.

Mr. Bosco. You consider those kind words?

Mr. White. Well, to be elevated to the level of a Congressman I thought was a—well, in any event, in addition to completion of the West Front of the Capitol, we have a structural problem with regard to the terraces. The terraces and the steps leading up to the West Front were completed in 1892 and are in really bad condition at this point. The curved exhedra that surrounds the fountain at the base of the Capitol on the West Front is leaning out; it's a retaining wall for the dirt that is behind it. That all has to be taken down and replaced and we've received authorization from the Commission on the West Front of the Capitol to use the funds that have already been appropriated. That is, the $25 million saving is still available so we don't have to appropriate any funds. That's a $10 million item. So that's all in process, but I wanted to report that to you so you would understand what is happening in what would be called, I suppose, a public works project.

The Library of Congress restoration and renovation of the Thomas Jefferson and John Adams Building is proceeding quite well. As you may know, that's an $81 million project. We're almost half-way through, and by the end of this year we will be half-way through. We have another three years to go, but all of the major work that is underway now is progressing quite well.

We're within budget and within the schedule; areas on the fifth, third and second floors of the John Adams Building are ready to be accepted for beneficial occupancy by the Library. The Library has some work to do in there after we turn it over to them. Carpeting and installation of telecommunications wiring and some things of that nature, which the Library does directly.

Areas in the Thomas Jefferson Building are also going to be available in September to be utilized by the Library for the additional work that they need to do before actual occupancy.

As you may recall, that project is being done in two phases. That is to say, we're doing half of the building while the other half of the building is occupied. When we complete half of it, the occupants will move to the competed half and then we will complete the half from which they were moved. It's a little more expensive to do it that way, but there was no other choice since the building had to be occupied in order to serve its purposes as a library.

Another item for which I have not yet requested funding, but which will be coming before this committee in due course, is the Publications Distribution Building for the House.

The plan is, as I think you know, to move the folding room and the printers out of these buildings to a new building to be built on the Botanic Garden site across from Bolling Air Force Base. That move is required because of the Anacostia Metro Station which is going to be located right where the Botanic Garden nursery is located. Those things seem to happen that way. It was the only place that a tunnel under the river could reasonably be located from the standpoint of the Metro system. Because we have 25 acres, it seems that the new site was a good place to locate this publications facility.

That's now in the hands of the House Office Building Commission for direction, and if we're directed to proceed, we will do so. Funds were reprogrammed for us to do the design or feasibility studies. If the House Office Building Commission directs us to proceed further we will, of course, come before this committee with a specific request for authorization. I wanted to let you know what was happening in that regard.

One other thing that I think would be useful to mention that's not in the prepared statement, Mr. Chairman. And that is the status of the Judiciary Office Building in which this committee had a strong interest, legislatively, for its authorization.

Just a brief review of where we are with that. Legislation was passed by this committee and by the House and the Senate authorizing us to proceed with negotiations and with the awarding of a contract for the construction of the building. There is a commission appointed in accordance with the law which consists of Members of the Senate, Members of the House and two Judges appointed by the Chief Justice to oversee what we're directed to do.

We have selected a provisional winner of the developer-architect competition. That winner has been announced, and I think you are aware of it but just for the record, Boston Properties is the developer, the architect is Edward Larrabee Barnes. There were five excellent developers and associated architects who had entered the competition. We selected this team with everybody's agreement that was involved in the process and we are now in active negotiations with the developer.

I said provisional selection because in the unlikely event that we can't come together on the financial arrangements, we will then select one of the other proposals that have been submitted. We're keeping our options open which also softens the developer in the negotiations. So we're pursuing that, and we expect that in due course, we will have an agreement probably within the next two to three months, which will be presented before the Commission, which is established under the law, for approval and direction to sign the agreement and proceed.

It's an arrangement whereby, just to refresh your recollection, in an oversimplification, the government is putting in the land which is worth $30 million to $40 million dollars. The developer will borrow money from the private sector and build the building. We will lease it back from them. The law has made the Architect of the Capitol a sort of GSA for the Legislative Branch. We will collect rents from the Judiciary and from other occupants of the building. We will pay the developer for amortization and interest on the funds that he borrowed. We will maintain the building, we will provide security for the building, all coming out of the rent just as GSA would do. There's a separate account set up in the Treasury for that, and we will, of course, report that to the Commission and to whoever else is interested as progress is achieved.

That's a brief summary, maybe not as brief as I thought it was going to be. I am available to answer questions, Mr. Chairman, as best I can.

Mr. Bosco. Thank you, Mr. White, for your testimony. Let me introduce some of the other Members of the Subcommittee who just came in.

First, John Lewis from Atlanta, Georgia who, I understand, is accompanied by some religious leaders and ministers from his area. You're keeping very good company these days, Mr. Lewis. I want to welcome your guests.

Ben Cardin from Baltimore, Maryland. Both Ben and John were elected to the 100th Congress and have previously served on this Subcommittee.

Congressman Mike Parker of Brookhaven, Mississippi. Nice to have you with us.

Mr. White let me ask you how the Capitol Security Program is going. Is the idea of a fence around the Capitol put to rest, or is that still floating around? I know we are now defended by a series of large flower pots.

Mr. WHITE. Depending on the kind of flowers, they make a good defense. The fence has been abandoned. There is no longer a proposal for a fence. The proposal is now in the hands of the leadership on both sides. The Whips on both sides were charged with the responsibility of coming up with a final proposal for security in general.

You may recall there was $13 million appropriated several years ago, none of which could be spent until a proposal was approved, and then that proposal would come before five different committees of the Congress. One of them is this committee.

It has not yet come before this committee because the leadership has not approved it finally. The thing that has been holding it up, as you may know, is one of earthshaking importance in the history of the world, and that is parking.

The issue of removing the parking from the East Plaza has caused some discussion to take place. I believe that has now been resolved. All parking is intended to be removed from the East Plaza with the exception of Members of the House and Senate who need to park there either for voting or for other purposes.

Mr. BOSCO. Will that plaza be made into some type of a park? Will the parking lot actually be removed under the plan?

Mr. WHITE. Yes. The plan is, and there have been no funds appropriated for this, to implement the master plan which was submitted to the Congress in 1981, which shows a pedestrian area in that East Plaza paved with granite block, sometimes called Belgian Block, similar to the paving in front of the Madison Building of the Library of Congress. Two fountains would be installed, benches and some landscaping.

But the paved area would remain as you see it now, only instead of being paved in asphalt, it would be paved with block with a pattern of some kind so that vehicles could enter there if necessary for various reasons, ceremonial as well as pragmatic. The shape of it would not change, but the appearance of it would change. The fountains are available to us, and have been for some little time, from GSA—two beautiful fountains—that were given and which have never been used.

They're available to us. Of course, it will require some money to install them, and funds for that are intended to be provided at this point by the Preservation Commission, legislation for which was passed last year that enables funding to be collected from the private sector and utilized for controlled purposes by the Commission.

So that's the plan. There will be beautification associated with it as I understand it. Of course, the approvals need to be obtained.

Mr. Bosco. Thank you very much. At some point in the future, I would like to discuss the possibility of renovating both the Cannon and Longworth buildings, but I won't do that now for the sake of brevity. Mr. Lightfoot.

Mr. Lightfoot. Thank you, Mr. Chairman. Mr. White, it's a pleasure to see you here this morning especially knowing that this is one time we meet when we are not starting to a climb to the top of the Capitol Building. We're just going to sit here this morning.

Earlier you were talking about the savings on the West Front and the repairs to the terrace steps. There's still roughly $15 million left in that fund providing that is a $10 million project. Do you have anything on the drawing board for this other $15 million that you feel should be a priority?

Mr. White. As a matter of fact, we do. We have formal approval of the leadership on the Senate side to pursue a project which has informally been approved by the Speaker's Office and it's just now developing. We've made some very rough sketches for the filling in of the two court ways between the terraces and the building at the lower level, in other words, the basement level; there would be landscaping on the top.

It couldn't be seen, of course, except when standing on the terrace, and therefore, wouldn't violate the appearance of the Capitol. Our plan is not to come up directly against the building, so we wouldn't disturb the preserved walls of the main building, but we could provide 8,200 square feet on each side, Senate and House.

We could have little skylights over it, for example, if that were desired, and that space could be used for meeting rooms, for additional spaces like EF-100 which we need sorely in the Capitol. Funds are available to do that from the funds that were left over from the restoration project.

So that that's all in consideration, but at the very early stages. I mention it only to indicate that at some point, I'm sure, you'll be made more knowledgeable about it as it develops.

Mr. Lightfoot. For the benefit of those of us that are new on the committee, could you give us a brief summary of the relationship between yourself and the House Office Building Commission as it relates to our subcommittee here.

Mr. White. Yes. The House Office Building Commission is composed, as you may know, of the Speaker and the Majority and Minority Leader. And by House rule, they have responsibility for the House Office Buildings. That is to say, the rules by which they are occupied, modifications that may take place in them, moving partitions, et cetera, et cetera.

Normally then, I report directly to the House Office Building Commission. The House Office Building Commission has given me authority to spend up to $1,000 on any particular item without their approval. They would give me a larger responsibility if I asked, but I chose not to. In that way, individual congressmen or committee chairmen who want modifications made, need to get the approval of the commission, and therefore, I'm, in some way, insulated from attack by others who want to have it done.

Mr. Lightfoot. Sounds like smart politics to me.

Mr. **White**. Well, one learns, I guess. In any case, they have approval.

On the House side of the Capitol, by House Rule, authority for the assignment of space and for modifications come directly to the Speaker. The House Office Building Commission, as you know, also controls the assignment of space in these office buildings. I've often said that I've been very fortunate in that there are two areas here on the Hill that I have nothing to do with, for which I am eternally grateful.

One of them is the assignment of space, and the other is the control of parking. Those are two areas that are no-win propositions for those who have the responsibility. In any event, what normally happens is, for maintenance items, as I described earlier, since we have ongoing authority to maintain the buildings, we normally don't come before this committee. If there were to be a major Public Works project—by major I mean something that is obviously Public Works, such as this Publications Building for the House Printers and Folding Room—that would come before this committee.

It's a separate building that's going to be built, and even though it's an annex to the House office buildings, you might say, that would come before this committee. These are matters of judgement, and I would guess that it is up to this committee and its relationship with the House Office Building Commission to decide.

In the past, it seems to have worked out well on the basis that I have described. I think this committee would be kept informed, for example, if we were going to add some elevators to the Longworth Building. I'm not sure there is jurisdiction required or authority required, but I think information would surely be made available. The jurisdiction issue is something you and your colleagues would have to decide. That's the way it seems to operate at the moment, and seems to work quite well.

Mr. **Lightfoot**. I appreciate that explanation. It helps answer a few questions we had in our mind. I would assume, if you did have authority for the space and the parking, that you would discontinue escorting trips to the dome—with certain Members. Thank you, Mr. White. I appreciate it.

Mr. Bosco. Mr. Lewis, do you have any questions?

Mr. **Lewis**. Thank you, Mr. Chairman.

Mr. White, let me ask you just one or two questions. First, I would like to commend you for such a superb job in restoring the West Front of the Capitol. In your testimony, you mentioned the fact that the job was completed almost a year ahead of schedule and $25 million under budget. Would you elaborate on how that came to be. Did you just over project your estimate.

Mr. **White**. Well, it came to be as a result of several things. We did have a substantial contingency amounting to something like 20 percent or 25 percent of the total $49 million that was appropriated. So there was probably $8 million or $10 million dollars in there that was assigned to the category of contingency. We didn't need any of it. The contingency was there because, as you may recall, we drilled holes through the Capitol walls from the exterior wall to the interior wall—through the lateral wall. In some cases these holes were 27 feet long.

Those holes were two inches in diameter. We then inserted stainless-steel rods; we removed masonry from both ends and installed steel plates just like you would see on an old masonry house. They are all hidden now and all plastered in place but they hold the building together.

The drilling of those holes was something which we thought might give us a real structural problem with the vibration and old masonry. We didn't know what we were going to meet on the inside. If there were to be some movement in those masonry arches of which that building is composed, it would be extremely costly to repair. It could have cost $10 or $15 million. That was the reason for the contingency.

That never occurred, so we didn't use any of it. In addition to that, the market was good when we took bids. We were fortunate in that regard.

While it is a little self-serving, I have to attribute some of it to responsible management.

Mr. LEWIS. That's alright. Take credit for it.

Mr. WHITE. For example, in order to minimize the probability of some difficulty of a structural nature in the drilling, before we let a contract to the general contractor, we hired a special drilling contractor and made drilling tests and devised the method that would minimize the risk. The general contractor bidders were invited to witness what we had developed in the way of drilling method. That contractor didn't work for any of the generals nor did he do the work later. So we tried to plan in advance to minimize the risks in order not to use the contingency fund. In a very oversimplified way, that's why we ended up the way we did, with an excess.

Mr. LEWIS. Mr. White. My office is in the Cannon Building and I noticed that from your statement you are requesting over $6.5 million dollars for additional elevators for the Cannon and Longworth buildings. Can you tell us how many new elevators will be placed in Cannon?

Mr. BOSCO. The elevators have been some of the more controversial things we've had around here. Maybe not the elevators, but whether they should have operators or not.

Mr. WHITE. That's right. First of all, let me answer your question directly. The plan is for, at the moment, two elevators in a bank in two locations. There's a possibility of a third location in the Cannon Building but not in the Longworth Building. These elevators would be installed in the court ways, and we've found a way to minimize taking up space in the building. I might say in that regard, that vertical transportation in every building on the Hill is inadequate.

Even the new buildings. The Hart Senate Office Building has inadequate vertical transportation for other reasons. It's a major problem here on the Hill. In the Cannon and Longworth buildings it arises because the population in the building is dramatically greater than the building was ever intended to have, and therefore, the original number of elevators is inadequate.

Once you get beyond a certain point of use, it gets dramatically worse. For example, the elevators on the Independence Avenue end of the Longworth Building, because they are full all the time, stop at every floor. That slows it down even more. It's just a forever trip to go from the basement up to the top floor because the cabs are always so full.

The only answer to that is to provide additional vertical transportation. We have in the past, incidently, tried to make the existing elevators as efficient as possible. We've had some problems along those lines which we think we've now overcome. The speed of door closings, the speed or response of the leveling devices in each one, we've tried to minimize all of that so as to maximize the service with what we have now. But it will never be adequate without additional elevators.

Mr. LEWIS. Mr. Chairman, just one final question. Mr. White, in this building we have a clear pictorial layout. But in Cannon and Longworth we have numbers and arrows. When visitors come here, they sometimes walk great distance trying to locate their representatives. Is there some way we can have a pictorial layout in Cannon and Longworth so people won't be going a mile in order to get bloc.

Mr. WHITE. Yes, there certainly is, and I thought there had been an installation of that nature made. They are in process now. The need has been felt for a long time. I thought that we had already done that. It's in process. Yes, it will be done.

Mr. LEWIS. We appreciate it. Thank you very much. Thank you, Mr. Chairman.

Mr. BOSCO. Thank you, Mr. Lewis. Mr. Duncan, do you have any questions?

Mr. DUNCAN. Mr. White, I'm not against your request, in fact, I understand you do a great job as Architect, but this increase of $65 million is about 60 percent of last year's total budget if I am correct. If every agency of the Federal Government went up by 60 percent the deficit would be just unbelievable. It seems that everyone says that the deficit is a terrible problem, but nobody wants to do anything about it. I'm not an architect. I know less about what we're talking about than probably anybody here.

You say some of these requests are once every 10 or 20 years. Are there going to be more like this next year do you think? What's being done to try and hold these costs down.

Mr. WHITE. First, let me say that, although I present it as my budget, in fact, it is not my budget. It's your budget. It's my role as a professional to report to you what the needs are for repair and maintenance. And often we postpone things, for example, sidewalk repairs. We may patch them and wait a year or two. People can still walk on them. We have the Federal Tort Claims Act to concern ourselves with, so that if somebody trips and falls that costs money too. If we don't repair the roofs, we get additional costs arising as water leaks into the buildings.

So, it's my role to bring to the attention of the Congress how funds should be appropriated in order to properly maintain the buildings on the presumptions: A, that we minimize maintenance costs that way over time, and B, that we respond to the needs of the Congress for whatever it would like to have.

The cleaning of buildings costs money. Obviously, you could save money by not cleaning them as well. On the other hand we had a major problem here a year or two ago about lack of cleanliness, so we've increased that effort. I think our role is to try to minimize the expenditures for whatever needs to be done. It may be, as I say, very useful instead of having these funds come as a shock when they happen to peak at a particular time in history, to have it accumulate over a long period of years by virtue of a depreciation account or a reserve for replacement account—something of that nature, because some years it's very low. I don't have any real answer to it.

We have a lot of buildings, and they cost a lot of money to occupy and maintain. Another way to look at it would be to have the Congress do as agencies do. To establish a rent that it pays for a square foot of occupancy and have that be the way the funds are appropriated. The same repairs would have to be made, but if you pay an annual rent which would then take care of cyclical items and that sort of thing, it may ease the burden. But I know of no way to reduce costs in that regard.

Mr. DUNCAN. Your statement says you are requesting funding for 2,100 positions.

Mr. WHITE. That's correct.

Mr. DUNCAN. How many positions do you have now?

Mr. WHITE. We're asking for an additional 12 positions. We now have 12 less than 2,100. That's not where the increase comes.

Mr. DUNCAN. Are most of these things, I know that you cannot foresee the future, but do you think based on what you know now, that your request next year will be substantially less than your request this year.

Mr. WHITE. Yes, I do. This year happens to be a particularly large one.

Mr. DUNCAN. This is out of the ordinary?

Mr. WHITE. It's an out of the ordinary total increase, yes. It just happened to come out that way. Normally, the increase is no where near this amount, and in some years, it is very low.

Mr. DUNCAN. Well, I'm not fussing at you. I'm the newest person here, I'm trying to learn as much as I can. I might say this, you know, my father was in Congress for almost 24 years and he presented thousands of flags around east Tennessee. I substituted for him and presented several hundred, and I've done a lot since then. Whenever we did that we always read those certificates and read your name. You're a pretty famous man around east Tennessee, I think. Probably in a lot of these other areas also.

Do you have someone from your office who could take me around and show me how this $178 million will be spent? I'd be interested to know.

Mr. WHITE. Absolutely. Be glad to. You let us know when it's convenient for you and we'll be glad to do that.

Mr. DUNCAN. Thank you very much.

Mr. Bosco. Mr. White, I know being an architect you know what brick wall is, and I suggest that is what you are going to meet with on your rent suggestion when you go to this commission, because since it's made up of the leadership and they have the biggest offices, I guess they would be paying the biggest rents under your proposal. Mr. Parker, do you have any questions?

Mr. PARKER. Thank you, Mr. Chairman. I really don't have any questions. I disagree with my colleague from Tennessee. He's not the newest man on the hill. I would make one observation, though.

If you do put elevators in the Longworth, we have to make sure that they are slow enough, because that's one of—I'm on the seventh floor of Longworth. It's one of the few ways I have to keep my staff humble. We really need to pay attention to that. Thank you a lot, Mr. White.

Mr. Bosco. That's the first request we've had for slower elevators. Thank you very much, Mr. White. We very much appreciate your being before us and for your good work on our behalf.

Mr. White. Thank you, Mr. Chairman.

[Mr. White's prepared statement follows:]

STATEMENT OF GEORGE M. WHITE

ARCHITECT OF THE CAPITOL

Fiscal Year 1990 Appropriation Request

In presenting a briefing on our appropriations request for fiscal year 1990, Mr. Chairman, I intend to proceed, with your approval, by summarizing the various requests, following which I will be pleased to respond in detail to questions regarding any of the specific items that you wish to pursue.

Mr. Chairman, the Architect's annual appropriation requests are for on-going requirements for the care, operation and maintenance of buildings and facilities in the Capitol Complex. In addition, funds are requested for the structural and mechanical care and operation of the Library of Congress buildings, and the Botanic Garden; and the care and operation of the Capitol Power Plant, and the Capitol Grounds; and the care of the Building and Grounds of the Supreme Court. Funding requests are for personnel compensation, annual supplies and material, maintenance equipment, and in addition, cyclical and nonrecurring maintenance items. Funds are appropriated to the Architect under various annual appropriation accounts and nonrecurring project accounts. For example, we receive separate funding for the Capitol Building, House Office Buildings, Senate Office Buildings and Botanic Garden and so forth. The authority for the Architect's annual appropriation requests is based on permanent statutory authority for the care, operation, and maintenance of the buildings and facilities. The authority for the Architect's nonrecurring project accounts is generally provided by this Committee, such as, Installation of Solar Collectors in House Office Buildings and Modification and Enlargement at the Capitol Power Plant.

Each year we prepare budget justifications, Mr. Chairman, which include detail on all items pertaining to the "Architect of the Capitol," including House items, Senate items, joint items, and the Botanic Garden.

The total appropriation request for fiscal year 1990 is $178,145,000, which includes funding for 2,100 positions. This represents a net increase of $64,484,000 over the fiscal year 1989 total of $113,661,000. Stated differently, gross increases requested are $73,681,000 which have been reduced by nonrecurring fiscal year 1989 deductions amounting to $9,197,000. If the item "Senate Office Buildings" is excluded, the $73,681,000 increase for 1990 reduces to $51,317,000, of which $24,839,000 is for House Office Buildings. The $51,317,000 increase, which excludes "Senate Office Buildings," falls into the following major categories:

Mandatory Items, which total $2,985,400, or 6% of the increase: This category includes personnel benefits and premium pay items for existing positions and within-grade salary advancements and other changes authorized by law.

Annual Recurring Maintenance, which totals $1,024,600 or 2% of the increase: This category is required to finance normal maintenance responsibilities, such as repairs and improvements to electrical, air conditioning and other mechanical systems; procurement of supplies and materials and equipment; cleaning and custodial care; and painting. Of the total increase of $1,024,600 approximately $323,000 represents inflationary increases. The balance of this increase, $701,600, is required primarily for ongoing needs in the areas of data processing equipment, additional warehouse space for the Clerk of the House of Representatives, repairs to existing House and Senate restaurant equipment and an increased need to purchase natural gas due to the temporary conversion of a coal-fired boiler to gas.

Cyclical Maintenance, which totals $10,972,000, or 21% of the increase; This category is defined as long term maintenance items that arise only once in ten or twenty years, such as roof repairs, sidewalk replacement and so forth. Four of the largest items total $8,188,000, and represent 75% of this increase in monetary terms requested under this category. They are: the electrical system renovation, Cannon Building ($2,000,000), repairs to the pipe tunnel under North Carolina Avenue, S.E., ($5,000,000), retubing four oil-fired boilers ($588,000), and replacing the steam lines from the Rayburn Building to the Botanic Garden ($600,000). The remainder of $2,784,000 is required for several items for property and equipment maintenance replacement.

Continuing and Initiating Other Programs, which totals $36,029,000, or 70% of the increase. Included in this category are funds for such programs as replacement of PCB transformers ($3,934,000); an advance in place monitoring system for the House side of the Capitol Complex ($3,000,000); design and construction of additional elevators for the Cannon and Longworth Buildings ($6,600,000); a secure conference center for the House of Representatives ($10,000,000); improvements to the Longworth fire protection, electrical power and telephone and data communications wiring systems ($4,130,000); a baghouse filter for coal-fired boiler no. 3 at the power plant ($3,000,000); and $5,365,000 for several other items.

Mr. Chairman, that is a brief summary of the major increases for fiscal year 1990. I would also like to mention briefly two major on-going projects and their progress. The West Front Restoration was completed in September 1987, nearly one year ahead of schedule and $25 million under budget. The study on the structural problems with the terraces was completed last year, and the Commission on the West Central Front directed me to request a reprogramming in the amount of $9,820,000 to repair the terraces and provide 4,800 square feet of utilitarian space under the middle terrace level. I subsequently requested a reprogramming from the House and Senate Committees on Appropriations. The House Committee on Appropriations approved the request on February 2, 1989.

The Library of Congress Renovation and Restoration of the Thomas Jefferson and John Adams Buildings is progressing well. All Milestone I work was completed in November, 1986. The major work in Milestone II, which is the Architectural, Mechanical and Electrical work is well underway at this time, and contracts have been awarded for most of the balance of the Milestone II work. I am pleased to report that areas on the fifth, third and second floors of the John Adams Building are ready to be accepted for beneficial occupancy, and very shortly the first floor will also be ready. Areas in the Thomas Jefferson building are also ahead of schedule. Overall completion of Phase I is scheduled for September 1989. Preparatory work on Phase II, which includes Interim Occupancy (Milestone III) and Phase II Renovation (Milestone IV) is proceeding.

There is an additional budget item for which I have not yet requested funding, Mr. Chairman, and that is the relocation of the House of Representatives Publications Distribution Service Facility. As you may recall, the House Office Building Commission authorized me in June 1988 to carry out the design and construction of such a facility. I requested a reprogramming of $300,000 from the Longworth electrical improvements project to carry out the design, and that effort is nearly complete. Once a final determination is made regarding plans for the new facility, I will request authorization from this Committee and funds to be appropriated in the fiscal year 1989 supplemental to provide for the construction of such a facility. I shall keep the Subcommittee on Public Buildings and Grounds informed of the progress on this project.

Mr. Chairman, that concludes my prepared statement and I shall be pleased to respond to questions that you and the Committee may have.

Mr. Bosco. The next witness is Dr. James Billington, the Librarian of Congress. Welcome, Dr. Billington. We appreciate your being here. I know some of your staff people are here with you. Would you like to introduce them to us?

TESTIMONY OF JAMES H. BILLINGTON, LIBRARIAN OF CONGRESS, ACCOMPANIED BY DONALD C. CURRAN, ASSOCIATE LIBRARIAN; JAMES R. TREW, DIRECTOR, LIBRARY ENVIRONMENT RESOURCES OFFICE; AND PETER G. SPARKS, DIRECTOR, PRESERVATION OFFICE

Mr. Billington. Thank you, Mr. Chairman.

Yes. To my right is Donald Curran, the Associate Librarian of Congress; to his right, Peter Sparks, Director of the Preservation Office; to my left, Mr. James Trew, Director of the Library Environment Resources Office.

Mr. Bosco. Go ahead and proceed with your statement.

Mr. Billington. Yes. It's a pleasure to be here today, Mr. Chairman, to report to you on the Library of Congress and its building program. I would ask that my full statement be made part of the record, with your permission, and I would just like to summarize a few key points.

We're meeting here at a time when the Library is at the end of a massive review of its entire operations and gearing up to develop its unique role as the world's preeminent repository of information and knowledge in what we now see has become the Age of Information. No other nation can match, either in scope or potential value, the information resources of our national library, and our challenge is to realize the full value of these unique resources—to get the cork out of the champagne bottle and into the six-pack, if I may use such a metaphor.

The mission of the Library of Congress, as we have defined in the course of this lengthy review process is first, to collect and preserve the world's most universal collection of human knowledge, information and expression, which is what the Congress has achieved in its library since the time of Jefferson and its founding.

Second, to make its materials and human resources available and useful to the Congress.

Third, to make its resources increasingly accessible and useful to the American people and their libraries, and finally, to promote and celebrate free intellectual creativity by all peoples on all subjects.

The Library and the Congress have a grave responsibility to preserve and service this unmatched collection of some 86 million items—catalogued items, that is. There are 31,000 items a day arriving in the Library, by far, the world's largest, most universal and most accessible collection of human knowledge. Most of that collection is open and accessible here in our three buildings on Capitol Hill for which the Architect of the Capitol is, of course, responsible.

The Library also occupies a warehouse in Landover, MD; a building in Northwest Washington which houses the National Library Service for the Blind and Physically Handicapped delivering 20 million items a year to the blind and physically handicapped around the Nation; a film vault in Suitland, MD, since we have vast multimedia collections as well as book collections that we're actively collecting in 456 languages, and office space at the Navy Yard.

These buildings are leased through GSA. We also have a nitrate motion picture film vault at Wright-Patterson Air Force Base in Ohio. Most recently the Congress appropriated funds to the Architect of the Capitol for the renovation and restoration of the Thomas Jefferson and John Adams Building, which the Architect has described. This is a most significant renovation.

The Jefferson Building, completed in 1897, is one of the most glorious architectural monument in this city, perhaps in this country. I cannot think of a more fitting way to prepare for the celebration of the Bicentennial of the Library of Congress in the year 2000, than to have the Thomas Jefferson Building, named for its founder, fully restored and operating by its own birthday in 1997.

The American people will see a library building unrivaled by any other in the world, as the Madison Building, the Nations official memorial to James Madison, is the largest library building in the world.

Phase one of the Jefferson and Adams renovations, as George White has already indicated, is moving ahead, and is approximately 80 percent complete. It is currently scheduled to be finished in October 1989. When the main reading room in the Jefferson Building was closed in December 1987, a newly renovated reader-service area was opened on the fifth floor of the Adams Building. Arrangements were made to provide general reference assistance at other locations.

There are, of course, 22 different reading rooms in the Library of Congress, so there's plenty of space. The main reading room is currently scheduled to reopen in the Spring of 1990.

Phase two construction will begin in 1990, continuing renovating, restoring and modernizing the Library at Jefferson and Adams Buildings. If the phase two construction is completed in late 1992 as scheduled, the library will complete its final space arrangements in 1993. A major part of the second phase of construction will be the renovation of the Coolidge Auditorium, which has been the home of our formal chamber music concerts for over six decades. We're looking at alternate locations for concerts during the period the Coolidge auditorium is closed.

I have recommended to the Architect of the Capitol minor rearrangements of some reading rooms that will enable the Jefferson Building to provide all special facilities for Members of Congress and their staffs, and special reading rooms for the study of every region and culture of the world.

Since this is the world's most universal library in terms of its collections, it will have these specialized reading rooms as well as some uplifting educational exhibits for the general public, which we think will be appealing. The Jefferson Building will thus provide a world center for the written word, Congress' monument to civilization and learning. The John Adams Building will also acquire a clearer identity by focusing on modern scientific and analytic techniques as applied to the social, natural, and physical sciences.

Let me turn to the second major program in which this committee has an interest. It pertains to our responsibility to preserve the Library of Congress collections for our nation now, and for generations to come. We are in effect, the repository, because of the Copyright Act and because of the enormity and the richness of our collections, of the Nation's memory.

And this is a solemn responsibility in which the Congress of the United States has taken a great and a very pioneering interest, Mr. Chairman. Let me turn to another Library program.

As you know, paper produced since 1850 has a very high acid content and self destructs over time. The Library of Congress estimates that more than 3 million books in its collections are too brittle to save except by microfilming thousands of volumes, which reach this stage each year. After more than a decade of laboratory experimentation, the Library of Congress requested authorization and funds for the construction of a mass deacidification facility to remove acid from paper and thereby extend the life of books by 300 to 400 years.

Congress approved the facility and the funds in 1984. Preliminary, small-scale testing using the Library's diethyl zinc process at the Goddard Space-Flight Center resulted in important progress, but work at the pilot plant level resulted in two incidents of fire, and the Library cancelled the contract with NASA and Northrop Services, Incorporated, because of procedural errors, design flaws, and equipment failures.

The Library then entered into a contract with Texas Alkyls, Incorporated of Houston, Texas, and I'm very happy to report, Mr. Chairman, that the pilot facility has operated safely and successfully during twenty eight complete test cycles. In its report on book preservation technologies, the Office of Technology Assessment recommended that "It may be beneficial for the Library of Congress to seek a private contractor to furnish all aspects of management, construction and operations for the full scale deacidification facility."

They further suggested that the contractor furnish the site, construct the plant, and transport and treat the books in accordance with Library of Congress specifications. In a letter to your committee, I outlined the Library's intention to recommend to the Appropriations Committee that funds appropriated for the facility be available for this purpose. The 1989 Legislative Branch Appropriations Act included language which would allow the Library to contract for a mass deacidification facility.

The Library's fiscal 1990 budget includes funds to run a total pilot program including transporting collections to the pilot facility in Houston, treating the collections and returning them to the library. This will give us the information we need to commence an ongoing program in 1991 with whoever is the successful bidder.

Concluding on that point, I would say that this whole program, Mr. Chairman, is extremely important and is being followed with great interest by libraries, archives and repositories of public information all over the country, because it has been a pioneering program.

We're dealing with massive numbers of paper. Everything recorded on paper, really, in this country. The Congress' pioneering support of this program has been a source of enormous encouragement and gratification to educators, librarians, archivists all over the country. In fact, the National Archives has joined with us and entered in an agreement to also make use of these facilities as they come on stream.

So this is a great example of legislative leadership in the interest of something of broad importance to the whole health and memory of our civilization.

Finally, I would like to address an issue relating to leasing space for the Library of Congress. In January, I wrote to your committee chairman, Mr. Anderson, to inform him of the Library's request in its 1990 budget for $1,088,000 for rental of space for an off-Capitol Hill collections facility. This—what we call in library language a secondary storage facility—would accommodate 3 million books for a projected collections growth of the Library of Congress for 10 years.

Shelf capacity for the Library's book collections, nearly 600 miles long, Mr. Chairman, is completely filled in some locations and will be full by the end of fiscal 1992. A warehouse type building of approximately 100,000 square feet will be needed for 300,000 linear feet of double-tiered shelving, and it's estimated that if the Library had its own leasing authority, this building would cost $1 million in fiscal 1990.

If, however, we were to lease a building through the General Services Administration, our first year costs would be $1,615,000 due to GSA overhead charges. I have requested authority in the Legislative Branch Appropriations Act to use rental appropriations for this purpose notwithstanding any other law.

I do not want to incur for the Legislative Branch of Government an additional $615,000 in costs by renting through GSA. I and all of us at the Library of Congress are very grateful to the House Committee on Public Works and Transportation for its many years of enthusiastic support of adequate facilities to house and service this Nation's most valuable treasure house of knowledge and this incomparable resource as we are entering the information age. Congress and the American people, as well as librarians, scholars and creative people throughout the world, benefit enormously from your support. We will, of course, be happy to answer any questions you have, Mr. Chairman.

Mr. Bosco. Thank you, Dr. Billington. In regard to leasing of the new space. You believe that renting through GSA costs about $600,000 above what you otherwise would pay? Would it be possible to have the Architect of the Capitol do that in that they would be better staffed to do leasing? Wouldn't they be better staffed to do leasing than you would be?

Mr. Billington. Well, I think the answer to that question is that the Architect of the Capital, under its present authority, cannot do that.

Mr. Bosco. But you can?

Mr. Billington. No.

Mr. Bosco. So, in other words, you have to get some new authority anyway. What I'm wondering is, isn't that a little bit out of your normal field of expertise?

Mr. Billington. I think it would obviously be less expensive and quicker if the Architect, with the authority, would be able to do it.

I would defer to Mr. Curran, who may want to add something on this issue.

Mr. Curran. Well, the answer is, we certainly could do it. We have a contracting and procurement office, and we're in the business of procuring lots of things, such as was just described—the book deacidification effort and others—multimillion dollar efforts. We have not previously been in real estate leasing, because we deal through GSA.

We would continue to deal with GSA on leasing the buildings which the Librarian described, except for this one.

We feel we have the competence to do it. It is the Congress' decision on whether they want to give us that authority, I think I would defer to Dr. Billington obviously, as to whether to do this through George White. We haven't discussed this with George. I don't know how he feels about it.

Mr. Bosco. He seems to be in favor of limiting his power where ever he can, if I got that correctly.

Mr. Curran. What we need is a warehouse type building to put three million books in over the next ten years, and to do it in the most efficient and effective way. ~~That's our~~ goal and whatever was worked out would be agreeable to us.

Mr. Bosco. Well, I'm not trying to disparage the fact that doing it without any expertise would cost $600,000 less, but I was just curious since someone has to be given authority to do this, we might be better off going through the Architect.

Mr. Lightfoot, do you have any questions?

Mr. Lightfoot. Thank you, Mr. Chairman, and thank you, Dr. Billington and the rest of you gentlemen for coming this morning.

On this leasing subject, do you basically intend to continue leasing through GSA, or are you going to seek some more general leasing authority?

Mr. Curran. Our present intention is to seek this one exception to our past practice, because we have in place arrangements with GSA for the buildings which Dr. Billington described. A 200,000 square foot warehouse building in Landover, the location at Taylor Street with the National Library Service at Bolling which is about 80,000 square feet.

We would have longer term plans which we are now trying to evolve looking beyond this into the year 2000. This is not fully developed. The master plan, in effect, which the Librarian has asked us to develop will look into the next 30 years, and at that point, I ~~think,~~ we would certainly want to look at the possibility of consolidating these spaces in a more suitable facility for the library. In effect, a major new location where we could bring those things plus our future space needs together.

Therefore, over the next 10 years, I would think we would want to kind of hang on to what we've got and expand it modestly.

Mr. Lightfoot. Dr. Billington, your statement that you receive some 31,000 items a day. By contrast back home in my district, I presented a book to a small public library and they were thrilled to death that they just got one book.

Mr. BILLINGTON. Well, I might say that we can only keep about 6,000 items of those received each day and the magnitude of the responsibility of those kinds of choices is part of what we bear, because we are in many ways the world's memory.

We collect in 456 languages and in all formats. We just opened the world's first machine readable reading room using software as a subject of study, not just simply a vehicle for getting other kinds of information. We're trying to maintain for the Congress what Jefferson specified in selling his library that is, a universal depository of knowledge.

We think that this has never been more important than in this age of competitiveness, and this age of concern about literacy, and these things.

But the physical needs of sustaining this are tremendous, and incidently, those surplus books that we don't keep, we circulate much of it to other libraries, as we do our duplicates and our exchanges, so that we are a major supplier to the library system of America and not just accumulating these things here in Washington. Moreover, we're seeking ways to share the Library's collections with the American people, particularly our American Memory Project using new technologies—to get more of our collections out to the 115,000 libraries throughout this country, which are a major resource for literacy and education and with which we have extensively consulted during this period of review.

Let me just add one thing on the strategic plan. We see this arrangement of having the leasing authority—we'll be happy to work with your committee, staff and with the Architect in determining what the right mode of procurement is to save this money, and we see this as a bit of an exception, but an exception dealing with the kind of central, basic physical support of this extraordinarily intellectual dynamo that we have here for the Nation, for its productive resources as well as for its government.

We see the generation of what will be its eventual storage facilities as part of a developing procedure for having a long term strategy for the Library of Congress. That's what we're trying to have emerge: a longterm, strategic, planning process. So we think this is a happy solution, a modest solution, a practical one, but it's not the ultimate solution.

The ultimate solution, however, has to be integrated with a broader plan of how you handle these immense amounts of material, how you integrate them with the new technologies, and how you develop a pattern for fuller national usage through the Congress and with the Congress' counsel. We think that is going to be a very exciting dialogue with the Congress, and a very important responsibility for the Nation.

We would not want to foreclose the possibilities of a longterm solution. We must be able to house more efficiently than we can now—through the nineties, through this interim period as we're planning and developing for the third century of the Library of Congress. The full utilization will require a permanent facility.

But we think when we do come before you eventually in the 1990s with a plan for a permanent off-site storage facility, that we will be able to come to you with full confidence that it is reflective of a broad, long-range, strategic plan for the Nation and not simply a short-term expedient for more housing and space. This is, I think, an interim solution, but it's one that is very important, so that we don't foreclose the possibilities for the future, because we don't have room for the materials that we do save, which is not everything that we get.

Mr. **Lightfoot**. Mr. White has to wrestle with the elevator problem in the Cannon and Longworth Buildings. There's an ugly rumor that people have actually qualified for social security while waiting for a Longworth elevator, but over there in the Madison Building we understand that you've had some complaints about the air quality there. Could you bring us up to date on how that situation stands?

Mr. **Curran**. Yes, sir. There are also complaints about the elevators, I might say. We have two inactive elevators and very, very heavy traffic in the Madison Building. I would hope that this problem would be resolved in the office buildings, and some consideration can be given to our two inactive elevator wells. You know our cafeteria, in particular, is a favorite for visiting tourist people who come over to the Capitol. It's the most popular and open facility on Capitol Hill.

Mr. **Lightfoot**. Plus the food is pretty good.

Mr. **Billington**. The food is pretty good, the view is lovely, but the access to it is enormously jammed, and we have people trying to get to the Congressional Research Service or to the world's largest international law library to service various needs, who also wind up on pension by the time they get to the sixth floor.

On the air quality, we have authorized, at considerable expense to the Library—there was an article in the Post, you may have read recently about it—a NIOSH study, a very thorough study, based on a questionnaire to try to solve scientifically once and for all in a comprehensive manner, the question of what is the nature of air quality. What are the problems that have been produced.

I think there is good feeling among the staff, unions and others that we have talked with about this; they are pleased with the comprehensiveness of this study, and we will be happy to share with you the results of this survey. They may be of some value in determining other studies about complaints with large buildings that don't have windows or direct access to fresh air.

Mr. **Lightfoot**. What stage is this study in?

Mr. **Billington**. It started about two months ago, didn't it?

Mr. **Curran**. As the arrangements stand, it is a three-way split on cost with the Library, NIOSH, and EPA, each putting up $120,000. It's a joint venture, because they have an interest in this as well. It's developed as a model test and measurement process for the sick building syndrome. I believe EPA may be using this same methodology in another building of theirs.

The object is to try to isolate and determine if there is in fact a problem. An extensive questionnaire went to each employee and they got a very excellent response. More than 80 percent responded to the usual kind of things "When you get sick, what are your problems," "Where do you work."

Then there has been data sampling, collecting air and analyzing it. I'm not quite sure what's going on, but I see people going around writing things down and taking air samples. The correlation between the problem in the air and what we can find out about it are being developed. We will receive a report.

I believe that Yale University is also participating in this, so it's being developed as a model effort to try to develop a protocol for answering this question, "Is indeed, this a sick building or not." And if it is, why so, and what can we do about it. We'll have some results in probably about six months, because there is a lot of data analysis that has to take place after the data measurement. We're in the midst of data measurement now.

Mr. LIGHTFOOT. I had very limited experience in that area, but I attended a couple of seminars on sick buildings and so on. It appears that one of the problems that they are identifying, and that building is probably in the correct age group for that—the line of thinking at the time the building was constructed was that you could save considerably on utility costs by totally enclosing the whole operation.

Now they are finding that the money that they saved off of utilities is minimal compared to what they are losing in terms of employees being sick, not reporting to work, this type of thing. It's cheaper for the overall operation, at least in a business perspective, to go ahead and pay a little more in the utility bills and circulate a little fresh air to cut down on employee absenteeism and this type of thing. I know that there is a lot of work being done in that area.

I assume since we're government, and we don't tend to work on a profit motive, that we would have to approach it a little differently here, but if people are not showing up for work, it's costing Uncle Sam money for employees that are not productive, I would hope that that would be part of the evaluation process. Do you know the actual cost in terms of time lost by employees and so on?

Mr. CURRAN. In fact, I believe that will be part of the study. Of course, the other interesting opportunity here is that we have a building that is a closed modern building. We also have hundreds of people working in two other buildings which are old buildings, so there is an opportunity here to kind of compare employee's health in one building with the other.

And of course, I know that Mr. White's vitally interested in this question too. They're actively cooperating and participating in this study as well.

Mr. LIGHTFOOT. We're in a rather unique position around here in that, if we hale back to the Legionnaire's disease, which they finally decided was a body that was embedded in the air conditioning system in the hotel, with the large numbers of people that we have around here, then you add on top of that, people that come here from all over the world that go through these buildings on a daily basis, heaven knows what is being put off into the air. If it's hanging up in the ventilator duct somewhere in a bunch of dirt just waiting to infect somebody, I'm glad you are doing this study.

I think it could have some very wide-reaching benefits, not only for the government, but for the private sector as well. We appreciate your time this morning.

Mr. Bosco. Thank you Mr. Lightfoot. Mr. Lewis.

Mr. LEWIS. Thank you, Mr. Chairman. Mr. Billington, I wanted to commend you for all of your good work. Your staff has been so responsive. I don't know what we would do without them. I don't have a question. I may be just a little bit biased. I think I'm very supportive and sympathetic to librarians. My wife is a librarian by training. She is a graduate of the University of Southern California school of library science. If I am not supportive of you and your staff, I would get into real trouble.

Mr. Bosco. Thank you, Mr. Lewis. Mr. Parker.

Mr. **Parker**. Thank you, Dr. Billington. I appreciate your coming. One question I've got. When your recommendation comes that you want to lease this building, and you make the statement that sometime in the 1990s you'll come back with a permanent solution as far as a building that we will own, you don't really know exactly when that will be? It's just going to be sometime in the future?

Mr. **Billington**. Well, I would hope that we would come back in the first half of the 1990s rather than the second half of the 1990s, because the lead time on something like this should be large. And besides, we will have our new organizational concept, which is quite a radical change, and our new strategic planning process in shape by the beginning of the next fiscal year. That's our target.

I wouldn't think that it would be too long after that that we would be able to discuss the configuration and the alternatives of what we would eventually hope to have. I think it would be sooner rather than later that we would be coming back to you, so that we could have an orderly exchange and a full-sharing with you what the options are and how we see it should proceed.

Mr. **Parker**. This $1 million versus the $1.6 million, is that lease purchase or just lease?

Mr. **Curran**. It would basically be a lease cost. What we're talking about here is an initial estimate at what a 100,000 square foot building would lease for. It would be in the range of $1 million a year or so—$1 million one or $1.2 million. We have, in addition to that, in our budget before the appropriations committee, necessary funds to outfit the building in terms of the shelving. Now that's a one time cost.

We anticipate purchasing the shelving which we would estimate would cost in the range of $3 million in increments of $1 million over a three year period, so that this warehouse-type of storage facility would be outfitted with shelving that would be government owned, and we would then have a continuing cost of $1 million a year to lease it for over a period of 10 years. Now it's possible to mix and match here.

It's possible, for example, to ask the building owner to outfit the building and recover that cost over the lease cost. That 's an option that we would still have. We would have to decide at the appropriate time what option to follow. It is essentially a lease cost, not a lease purchase. That's another option, of course.

Mr. **Parker**. I'm not much of a renter. I don't care for it. I like to build equity. It just seems to me that the cost of $1 million or $1.6 million, plus the $3 million in shelving—you're talking about that lease cost. It's not going stay at $1 million. If you're able to get it for $1 million, it will be $1.3 million next year. Each year there is going to be an incremental increase.

You know if you do it for 10 years, and you're able to settle on $1 million per year and have a long term lease for that amount, you're going to turn around, and in 10 years you can be dumping that money into something that could build some equity.

Mr. CURRAN. Your point is well made.

Mr. PARKER. The lease purchase is what I'm talking about. I know there is a lot of discussion about that. Thank you very much, Mr. Chairman.

Mr. BOSCO. Mr. Duncan, do you have any questions?

Mr. DUNCAN. Dr. Billington, this is just a little bit out of the scope of this committee, but I've always been a bit of a library buff. I spend a lot of time in libraries around the country, and as a matter of fact, when I was in law school at George Washington, I use to study most of the time in the Library of Congress Law Library, and I've always been very impressed with your facilities.

Let me ask you this. I was intrigued when you said that you get 31,000 items a day and you only keep 6,000, and you distribute most of the rest of these to the libraries around the Nation. Probably the library system in Knoxville, which is 60 percent of my district, and the University of Tennessee—and I'm sure they have a lot of contact with your facility—but I just wonder about some of the small towns that I represent.

Do you have an office, so I can tell these libraries in small towns and small communities in east Tennessee that you have a lot of this to distribute. What office would I contact or how do you handle that?

Mr. BILLINGTON. We have a regular distribution system and congressional offices are notified about it and invited to come to the Madison Building or bring somebody around to select material. I should say that the 31,000 includes a lot of ephemera. It includes pamphlets, posters, real junk, and you would be concerned if we kept it in the Library of Congress.

I don't think you would want to ship that to your district. So the figure is a very inclusive figure. It includes recordings. Under copyright deposit, we get all kinds of things. But yes, there is an office that handles this, and we will have them get in touch with you.

There is regular notification of excess distribution. Plus there are research materials, particularity in foreign languages, which are a great percentage of this. These materials are distributed primarily to research libraries. It is the responsibility of the Exchange and Gift Division of the Library. If you want to get into direct touch with them, that is the office to work with. There are, basically, two categories. There's sort of exotic foreign language material, which may be duplicative, for which there are university and research libraries around the country that are more suitable to collect it. Then there is general material, which is largely duplicative, which could be of interest to a broader universe. Your office is invited to send somebody—you get periodic announcements from Exchange and Gift Division, if you want to find out what there is.

Mr. DUNCAN. It's called the Exchange and Gift Division?

Mr. BILLINGTON. Yes.

Mr. DUNCAN. Thank you.

Mr. BOSCO. Thank you, Mr. Duncan.

Dr. Billington and gentlemen, thank you for your testimony. We're all very pleased to have this powerful intellectual dynamo so close to the U.S. Capitol. Hopefully some of it will rub off as we proceed with this year.

Mr. BILLINGTON. Thank you, Mr. Chairman, and thank you to this committee.

[Mr. Billington's prepared statement follows:]

Statement of James H. Billington
The Librarian of Congress
Subcommittee on Public Buildings and Grounds
Committee on Public Works and Transportation
U.S. House of Representatives
March 15, 1989

Mr. Chairman and members of the Subcommittee:

It is a pleasure to be here today to report to you on the Library of Congress and its buildings programs.

We meet at a time when the Library is gearing up to develop its unique role as the world's preeminent repository of information in what we now see has become the Age of Information. Other nations may produce more transistor radios or challenge us in steel or autos. But so far none can match, either in scope or potential value to the nation, the great information resources of our national library, the Library of Congress. Our challenge is to realize the full value of these unique resources -- to "get the champagne out of the bottle" -- and to make sure we take good care of what we collect. The mission of the Library of Congress is: (1) to collect and preserve a universal collection of human knowledge, information and expression; (2) to make its material and human resources available and useful to the Congress of the United States; (3) to make its resources increasingly accessible and useful to the American people and their libraries; and (4) to promote and celebrate free intellectual creativity by all peoples on all subjects.

The Library and the Congress have a grave responsibility to preserve and service this unmatched universal collection of human knowledge -- some 86,000,000 items. It is our special advantage that most of the collection is open and accessible on Capitol Hill. In addition to our three Capitol Hill buildings for which the Architect of the Capitol is responsible, the Library occupies a warehouse in Landover, Maryland, a building in northwest Washington which houses the National Library Service for the Blind and Physically Handicapped, a film vault in Suitland, Maryland, and office space at the Navy Yard. These buildings are leased through GSA. We also have a nitrate motion picture film vault and laboratory at Wright-Patterson Air Force Base in Ohio.

Most recently the Congress appropriated funds to the Architect of the Capitol for the renovation and restoration of the Thomas Jefferson and John Adams Buildings. I am sure George White will describe in more detail the progress of this most significant renovation. The Thomas Jefferson Building, which was completed in 1897, is one of the most glorious architectural monuments in this city. I cannot think of a more fitting way to prepare for the celebration of the Bicentennial of the Library of Congress than to have the Thomas Jefferson Building fully restored and operating by its own 100th birthday in 1997. The American people will see a library building unrivaled by any other in the world for its beauty and celebration of knowledge.

Work on the two buildings is being conducted in two separate construction phases. Phase I is approximately 80 percent complete and is currently scheduled to be finished in October 1989. Fire protection systems have been completed and are operational in the bookstacks of both buildings. The West

Terrace and Neptune Fountain in front of the Jefferson Building have been completely renovated. When the Main Reading Room in the Jefferson Building was closed in December of 1987 a newly renovated reader service area was opened on the fifth floor of the Adams Building. Arrangements were made to provide general reference assistance at other locations.

The remaining Phase I work mostly consists of major heating, ventilating, and air conditioning work; plastering and painting; window replacement; hardware installations; installation of colonnade systems in specialized reader areas; renovation of the Main Reading Room; and art restoration. Following the completion of Phase I construction, the Library will take 9-12 months to occupy renovated space after which Phase II construction will commence. The Main Reading Room is currently scheduled to reopen in April or May of 1990.

Phase II construction will continue the process of renovating, restoring and modernizing the Library's Thomas Jefferson and John Adams Buildings. Major mechanical, electrical, and fire protection improvements will be completed along with work that will restore and preserve architectural and artistic features of both buildings. Phase II construction should be initiated in 1990. If Phase II construction is completed in late 1992 as scheduled, the Library will complete its final space arrangements in 1993.

A major feature of Phase II construction will be the renovation of the Coolidge Auditorium which has been the home of our formal chamber music concerts for over six decades. We are looking at alternate locations for concerts during the period the Coolidge is closed.

I have recommended to the Architect of the Capitol minor rearrangements of some reading rooms. The Jefferson Building will contain special facilities for Members of Congress and their staffs, special reading rooms for the study of every region and culture of the world, and informative, educational exhibits for the general public. The Jefferson Building will thus provide a world center for the written word and serve as the Congress' monument to civilization and learning. The John Adams Building will also acquire a clearer identity by focusing on modern scientific and analytic techniques as applied to the social, natural, and physical sciences.

Let me turn to the second major program in which this Committee has an interest. Our responsibility to preserve the Library of Congress collections for our nation now and for generations to come is a grave one and one in which the Congress of the United States has taken a great interest. As you know, paper produced since 1850 has a very high acid content and self destructs. The Library of Congress estimates that over 3 million books in its collections are too brittle to save except by microfilming thousands of volumes which reach this stage each year. After more than a decade of laboratory experimentation, the Library of Congress requested authorization and funds for the construction of a mass deacidification facility to remove acid from paper and thereby extend the life of books by 300-400 years. Congress approved the facility and the funds in 1984.

Preliminary small scale testing using the Library's diethyl zinc process at the Goddard Space Flight Center resulted in important progress but work at the pilot plant level resulted in two incidents of fire and the Library cancelled the contract with NASA and Northrop Services, Inc. because of procedural errors, design flaws, and equipment failures. The Library entered into a contract with Texas Alkyls, Inc., of Houston, Texas and I am happy to report that the pilot facility has operated safely and successfully during twenty eight complete cycles, and that the National Archives and Records Administration has signed an agreement with us for testing of some of their collections.

In its report on book preservation technologies, the Office of Technology Assessment recommended that "It may be beneficial for the Library of Congress to seek a private contractor to furnish all aspects of management, construction and operations for the full scale deacidification facility." They further suggested that the contractor furnish the site, construct the plant, and transport and treat the books in accordance with Library of Congress specifications. In a letter to your Committee I outlined the Library's intention to recommend to the Appropriations Committee that funds appropriated for the facility be available for this purpose. The 1989 Legislative Branch Appropriations Act included language which would allow the Library of Congress to contract for a mass deacidification facility. The Library's fiscal 1990 budget includes funds to run a total pilot program including transporting collections to the pilot facility in Houston, treating the collections and returning them to the Library. This will give us the information we need to commence an ongoing program in 1991 with the successful bidder.

Finally, I would like to address an issue relating to leasing space for the Library of Congress. In January, I wrote to your Committee Chairman, Mr. Anderson, to inform him of the Library's request in its 1990 budget for $1,088,000 for rental of an off-Capitol Hill collections facility. This secondary storage facility would accommodate 3 million books for a projected collections growth of the Library of Congress for 10 years. Shelf capacity for the Library's book collections is currently completely filled in some locations and will be full by the end of fiscal 1992. Materials at the facility will be under a computerized inventory control and circulation system to allow quick retrieval. A warehouse type building of approximately 100,000 square feet will be needed for 300,000 linear feet of double tiered shelving. It is estimated that if the Library had its own leasing authority this building would cost $1,000,000 in 1990. If, however, we were to lease a building through the General Services Administration, our first year costs would be $1,615,000 due to GSA overhead charges. Typically GSA rental costs run $3-5 per square foot more than what can be negotiated directly with a developer. I have requested authority in the Legislative Branch Appropriations Act to use rental appropriations for this purpose notwithstanding any other law. I do not want to incur for the Legislative Branch of Government an additional $615,000 in costs by renting through GSA. As you know, the General Accounting Office, the Architect of the Capitol, and the Office of Technology Assessment have authority to lease space.

In conclusion, I want to say how grateful the Library of Congress is to the House Committee on Public Works and Transportation for its many years of enthusiastic support of adequate facilities to house and service this nation's most valuable treasure house of knowledge. Our buildings are both busy workplaces and proud symbols of this nation's commitment to freedom of expression. The Congress, the American people, and librarians and scholars throughout the world are the primary benefactors of your support.

My colleagues and I will be happy to answer any questions you may have.

Mr. Bosco. The next witness is Mr. Dean Anderson, Under Secretary of the Smithsonian Institution. Mr. Anderson, ladies and gentlemen, thank you for joining us. Would you like to proceed with your testimony?

TESTIMONY OF DEAN ANDERSON, UNDER SECRETARY, SMITHSONIAN INSTITUTION, ACCOMPANIED BY JOHN JAMESON, ASSISTANT SECRETARY FOR ADMINISTRATION; RICHARD SIEGLE, DIRECTOR, OFFICE OF FACILITIES SERVICES; NANCY SUTTENFIELD, DIRECTOR, OFFICE OF PROGRAMMING AND BUDGET; AND MICHAEL ROBINSON, DIRECTOR, NATIONAL ZOOLOGICAL PARK

Mr. Anderson. I'd like to introduce, if I might, the colleagues that have joined me here this morning.

On my immediate right is Mr. John Jameson, our Assistant Secretary for Administration at the Smithsonian; to his right, Mrs. Nancy Suttenfield, the Director of our Office of Planning and Budget; to my left, Dr. Michael Robinson, the Director of the National Zoological Park, and to his left, Mr. Richard Siegle, the director of our Office of Facilities Services.

We welcome this opportunity to appear before you this morning to describe the Smithsonian's 1990 budget request, particularly as it relates to our physical facilities. All projects within the request have been authorized.

Appended to my formal statement, Mr. Chairman, are two tables. The first summarizes all of the appropriations accounts in our request. The second breaks out another level of detail with respect to spending, particularly for facilities. My colleagues and I will be glad to discuss any aspects of these.

In addition, I would like to comment briefly on two bills currently pending before the subcommittee, H.R. 218, pertaining to our Cooper-Hewitt Museum in New York City, and H.R. 889, which relates to the proposal to build an extension to the National Air and Space Museum. The Cooper-Hewitt is the Nation's leading center for the exhibition and study of objects relating to design and decorative arts. Housed in the Fifth Avenue mansion originally built by Andrew Carnegie, it has extensive needs for improved space in which to store and exhibit its collections.

Plans for gaining such space had been initiated, but the advent of the Museum's new director last fall necessitates a reassessment of those plans. While we deeply appreciate the continuing interest of the bill's sponsor, Representative Mary Rose Oakar, we would ask that its consideration be deferred until this reassessment has been completed.

With respect to the extension for the National Air and Space Museum, we completed the conceptual study of this proposal last year, and very shortly will enter into a contract with an architectural and engineering firm to review program elements, possible sites for such an undertaking, and means for financing. As currently planned, we expect to present a report on these matters to the Institution's Board of Regents at their September meeting. Thereafter, that report will be shared with this subcommittee.

Finally, I should mention the prospect of the National Museum of the American Indian. To that end, a draft memorandum of understanding between the Museum of the American Indian, Heye Foundation, and the Smithsonian Institution was endorsed in principle by the Board of Regents of the Smithsonian at their meeting on January 30.

Execution of the memorandum is conditioned on approval of its terms by the courts in New York, the enactment of authorizing legislation by the Congress, and the availability of funds with which to proceed. The draft contemplates the establishment of the National Museum of the American Indian within the Smithsonian, a museum structure on the Mall east of the National Air and Space Museum, a storage and conservation facility at the Institution's Museum Support Center at Suitland, Maryland, and a facility designated "The George Gustav Heye Center of the National Museum of the American Indian" to be located in the old United States Custom House in New York City.

Negotiations on remaining details, final approval by the Regents, and introduction of implementing legislation is expected this spring.

The Smithsonian is in the process of developing estimates for the costs of constructing and operating these facilities. Estimates also are being developed for the costs of assuming control over the collections in New York; accessioning them into the national collections; moving them to our Museum Support Center; and creating from them the initial exhibitions in the Mall and Custom House facilities, as well as others that would travel to various parts of the country.

Although it is not yet possible to indicate the required level of Federal funding for the Museum, this subcommittee will be regularly and fully informed of the estimates as they become available.

Thank you, Mr. Chairman.

We will be pleased to try to entertain and answer questions.

Mr. Bosco. Thank you very much, Mr. Anderson. I think the idea of an American Indian Museum is a wonderful one. We will be very happy to receive your legislation when it comes about.

Mr. Duncan, do you have a question?

Mr. DUNCAN. No, Mr. Chairman.

Mr. Bosco. Mr. Lewis?

Mr. LEWIS. Thank you, Mr. Chairman.

Mr. Anderson, later today I will be reintroducing a bill calling for the creation of an African American national museum system. We need your help and would appreciate your support of this effort.

Mr. ANDERSON. We will look forward very much to working with you, Mr. Lewis, and with Rowena Stewart and Barry Gaither of the African American Museums Association, who I know are very interested in this measure as well.

Mr. LEWIS. I would also like to note, could you tell us something about the sale of the Frederick Douglas property a few months ago?

Mr. ANDERSON. I would be happy to answer questions.

Mr. **Lewis**. I have some concern about how that was handled. Were members of this committee, or members of the Interior Committee, informed about the sale of that property?

Mr. **Anderson**. I don't know the answer to that question, Mr Lewis. The entire Congress approved the legislation back in 1979 that authorized the Smithsonian to accept the Museum of African Art as part of its National Collections and specifically provided that the real estate in question could be sold, provided that any proceeds from that sale would be used exclusively for the benefit of the National Museum of African Art.

In fact, that is the use to which those proceeds have been put, making sure that the Museum of African Art has appropriate new facilities on the National Mall.

Mr. **Lewis**. Mr. Anderson, as we all know, this is a very historic piece of property located right here on Capitol Hill. With the property being sold, will it continue to be used for the public good or would it be used by some private interest?

Mr. **Anderson**. I am happy to say, Mr. Lewis, that long before we entered into the sales contract on that property, we had undertaken an extensive piece of historical research to document precisely the extent to which there may be surviving portions of the house dating to the period when Frederick Douglas owned it and lived in it. That study indicated that there were indeed several features of the house surviving from that time, in particular, the bay window that is on the front of the structure, and the molding around one of the interior doorways.

In view of that we made sure that the contract we entered had a very specific clause indicating that the subsequent owner would be obliged, as long as he owned that property, to make sure that a proper memorial was created in that structure available to the public to commemorate that fact that Frederick Douglas, in fact, had owned the property.

That clause is operative. It is binding on the owner.

Mr. **Lewis**. Mr. Secretary, how would you define a proper memorial to Frederick Douglas?

Mr. **Anderson**. Of course the glorious memorial to Frederick Douglas is maintained by the National Capital Park Service at Cedar Hill. It is the principle house that Mr. Douglas owned and lived in here in Washington. Many of the things that he owned at his death are on regular public display. His widow preserved all of his papers that are also maintained there. It is, I think, the National shrine.

Mr. **Lewis**. Thank you very much, Mr. Secretary.

Thank you, Mr. Chairman.

Mr. Bosco. Thank you, Mr. Lewis.

Mr. Parker, do you have a question?

Mr. **Parker**. No questions.

Mr. Bosco. Well, Mr. Anderson, I think you are probably doing such a good job, together with your cohorts, that we can't think of any more questions to ask you, which is a complement to all of you. Of course the Smithsonian is near and dear to the hearts of all visitors to this national capital. We appreciate the good work that you do. Thank you.

Mr. Anderson. Thank you, Mr. Chairman.

[Mr. Anderson's prepared statement follows:]

STATEMENT

BY

DEAN ANDERSON

UNDER SECRETARY

SMITHSONIAN INSTITUTION

BEFORE THE

SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

U. S. HOUSE OF REPRESENTATIVES

WASHINGTON, D.C.

MARCH 15, 1989

Thank you, Mr. Chairman.

We welcome the opportunity of appearing before you this morning to describe the Smithsonian's Fiscal Year 1990 budget request, particularly as it relates to the physical facilities of the Institution. All programs within the request have been authorized. These authorizations take a variety of forms, including the Institution's original enabling legislation, the Act of August 10, 1846 (20 U.S.C. et seq.); its authority for the repair and alteration of buildings (20 U.S.C. 53a); and its authority to improve the National Zoological Park (20 U.S.C. 81).

In addition, the Institution has specific authority for projects that initially were reviewed and approved by this Subcommittee. Among these are the rehabilitation of the Old General Post Office Building (P.L.98-523) and the construction of facilities for certain scientific bureaux of the Smithsonian (P.L.99-423).

Appended to my testimony, Mr. Chairman, are two tables. The first summarizes all of the appropriations accounts in our request, while the second breaks out another level of detail with respect to spending for facilities programs. My colleagues and I will be glad to discuss any aspect of these programs and amounts with you and other Members of the Subcommittee.

In addition, I would like to comment briefly on two bills currently pending before the Subcommittee, H.R.218, pertaining to our Cooper-Hewitt Museum in New York, and H.R.889, which relates to the proposal to build an extension to the National Air and Space Museum. The Cooper-Hewitt is the Nation's leading center for the exhibition and study of objects relating to design and decorative arts. Housed in the Fifth Avenue mansion built by Andrew Carnegie in the early years of this century, it has extensive needs for improved space in which to store and exhibit its collections. Plans for gaining such space had been initiated, but the advent of the Museum's new director last fall prompted an assessment of those plans, of the assumptions on which they were based, and of alternative solutions to the Museum's needs. While we deeply appreciate the continuing interest of the bill's sponsor, Representative Mary Rose Oakar of Ohio, in the Cooper-Hewitt, we would ask that its consideration be deferred until this assessment has been completed and a comprehensive program developed.

With respect to the extension proposal for the National Air and Space Museum, we completed a conceptual study of this possibility last year, and shortly will enter into a contract with an architectural and engineering firm to assist us in investigate a number of related aspects. Among these are program elements, possible sites for such an undertaking, and means for financing it. As currently planned, we expect to present a report on these matters to the Institution's Board of Regents at their meeting in September. Thereafter, that report will be shared with the Subcommittee.

Finally, I would like to mention the prospect of a National Museum of the American Indian. To that end, a draft memorandum of understanding between the Museum of the American Indian, Heye Foundation and the Smithsonian Institution was endorsed in principle by the Regents at their meeting on January 30. Execution of the memorandum is conditioned on approval of its terms by the courts in New York, the enactment of authorizing legislation by the Congress, and the availability of funds with which to proceed. The draft contemplates the establishment of the National Museum of the American Indian within the Smithsonian, a museum structure on the Mall east of the National Air and Space Museum, a storage and conservation facility at the Institution's Museum Support Center at Suitland, Maryland, and a facility designated "The George Gustav Heye Center of the National Museum of the American Indian" located primarily on the street level floor of the old United States Custom House at One Bowling Green in New York. Negotiations on remaining details, final approval by the Regents, and introduction of implementing legislation is expected in the next few weeks.

The Smithsonian is in the process of developing estimates for the costs of constructing and operating the facilities and programs facilities of the proposed Museum. Estimates also are being developed for the costs of taking control of and providing security for the collections in New York; accessioning them into the national collections; moving them to the Museum Support Center; and creating from them the initial exhibitions in the Mall and Custom House facilities, as well as others that may travel to various parts of the country.

Because the estimates are not yet complete, it is not possible to indicate the required level of Federal funding for the Museum. However, the Subcommittee will be regularly and fully informed of the estimates as they become available.

SMITHSONIAN INSTITUTION
FY 1990 BUDGET REQUEST TO CONGRESS

	FY 1989 APPROPRIATION	FY 1990 REQUEST
Salaries and Expenses	$211,240,000	$227,737,000
Repair and Restoration of Buildings		
-Major Capital Renewal	3,700,000	13,625,000
-Repairs, Restoration and Code Compliance	17,035,000	13,028,000
	20,735,000	26,653,000
Construction		
-Whipple Base Camp	3,185,000	0
-STRI - BCI Lab	2,700,000	0
- San Blas Laboratory	0	750,000
- Galeta Laboratory	0	1,030,000
- Floating Laboratory	0	1,700,000
-General Post Office Building	0	1,750,000
-Minor Construction, Alterations and Modifications	2,020,000	4,040,000
-Planning	750,000	730,000
	8,655,000	10,000,000
Construction and Improvements, National Zoological Park	5,305,000	6,500,000
GRAND TOTAL	245,935,000	270,890,000

SUMMARY FY 1990 FACILITIES RELATED REQUESTS

Salaries and Expenses

--$361,000 and 7 workyears to provide staff oversight and support for the $5.9 million expansion to the Repair and Restoration of Buildings.

Repair and Restoration of Buildings

--$13,625,000 for Major Capital Renewal:

American History Building	-- $3,675,000
Natural History Building	-- $9,950,000

--$13,028,000 for Repairs, Restoration and Code Compliance:

General Repairs	-- $1,845,000
Facade, Roof and Terrace Repairs	-- $5,710,000
Access, Safety and Security	-- $2,385,000
Fire Detection and Suppression	-- $460,000
Utility Repairs	-- $1,895,000
Advanced Planning and Inspection	-- $733,000

Construction

--$1,750,000 for renovation design of the General Post Office Building to preserve its historic nature and convert it for SI use.

--$3,480,000 to continue development of research facilities at STRI with the construction of a laboratory at San Blas, a laboratory at Galeta, and a floating laboratory.

--$4,040,000 for Minor Construction, Alterations and Modifications to existing buildings required to meet programmatic objectives in the areas of research, collections management and exhibitions.

--$730,000 to continue development of a capital improvement program.

Construction and Improvements, Natl. Zoological Park

--$4,500,000 for Amazonia Exhibition.

--$1,400,000 for renovation, repairs and improvements at Rock Creek.

--$600,000 for renovation, repairs, and improvements at Front Royal.

Mr. Bosco. We now welcome the next panel, consisting of Robert G. Stanton, Regional Director for the National Capital Region of the National Park Service, and Ralph P. Davidson, Chairman of the John F. Kennedy Center for the Performing Arts.

Gentlemen, welcome to the hearing. We look forward to receiving your testimony.

TESTIMONY OF ROBERT G. STANTON, REGIONAL DIRECTOR, NATIONAL CAPITAL REGION, NATIONAL PARK SERVICE, DEPARTMENT OF INTERIOR, AND RALPH P. DAVIDSON, CHAIRMAN, JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS, ACCOMPANIED BY JOSEPH M. LAWLER, GENERAL MANAGER, THE KENNEDY CENTER; GERALDINE M. OTREMBA, DIRECTOR OF OPERATIONS, THE KENNEDY CENTER; AND WILLIAM W. BECKER, ASSOCIATE COUNSEL, THE KENNEDY CENTER

Mr. Stanton. Mr. Chairman, if I may, I would like to introduce the associates accompanying me.

On my immediate left is Mr. Joseph M. Lawler, general manager of the Kennedy Center, and on my right we have Geraldine Otremba, director of Operations, and William Becker, associate counsel for the Kennedy Center.

Under Subsection (e) of Section 6 of the John F. Kennedy Center Act, the Secretary of the Interior, acting through the National Park Service, is required to provide all services necessary to the non-performing arts functions of the John F. Kennedy Center for the Performing Arts, including informational service, interpretation, janitorial, maintenance and security services. The same provision originally authorized funds to support such services through June, 1973.

Re-authorizing legislation was enacted from time to time to amend the appropriation authorization in Subsection(e) in order to provide authorization for a specific fiscal year's appropriation. The most recent specific authorization of funds was for fiscal year 1983. Five million, one hundred and eighty one thousand dollars was appropriated for the non-performing arts function of the John F. Kennedy Center under "An Act making further continuing appropriation for the fiscal year 1989, and for other purposes", approved December 27, 1988.

The January 9 budget request of $15,193,000 for the Kennedy Center in fiscal year 1990 represents and increase of $10,012,000 over the FY 1989 appropriation. A $10,000,000 increase is to fund repairs to the garage facility which has been deteriorating due to corrosion of the steel reinforcement within the concrete. This request also reflects an increase of $8,000 for the Federal Employee's Retirement System [FERS], increased pay costs of $23,000 and a decrease of $19,000 for absorption of the 1990 portion of the 1989 pay increase and increased 1990 FERS costs.

The Office of Management and Budget, Mr. Chairman and members of the committee, has advised that President Bush's administration has not proposed any specific changes to the January 9 Budget Request for the Kennedy Center. Therefore, this item is included in the $120 billion Residual Domestic Discretionary Freeze Category, which is subject to negotiation with Congress.

If no funds are provided for the repairs on the garage, this would eventually lead to closing portions and ultimately all of the garage facility. The structural integrity of the center itself would eventually be affected if the parking facility were allowed to deteriorate indefinitely.

There are no other proposed personnel increases or decreases in the fiscal year 1990 Budget, and no proposed rescissions, deferrals or supplementals related to the Kennedy Center for fiscal year 1989. The fiscal year 1989 pay increase of 4.1 percent is being absorbed by deferring a cyclic maintenance program, scheduled to be accomplished this.

Specifically, this project would include the replacement of plant materials and other horticultural features on the Kennedy Center grounds.

The National Park Service notes, however, that the approval of the January 9 budget request would enable the National Park Service to continue to carry out its responsibilities for the non-performing arts functions for the Kennedy Center and to make necessary garage repairs to ensure the safety of the visiting public and to protect the federal investment in the facility.

Mr. Chairman, along with members of the Park Service Staff assembled, we will try to answer any questions that you and members of the committee may have.

Mr. Bosco. Thank you very much, Mr. Stanton. Is it your intention to present authorizing legislation to this Subcommittee? I know in the past there has been some problem.

Mr. STANTON. Mr. Chairman, we have been advised by Bureau officials in the Department that the Department has decided not to request authorizing legislation in addition for the President's budget. However, we will confer further with those officials and provide you a follow-up statement for the record.

Mr. Bosco. Okay. Thank you. We are trying to get our Subcommittee's procedures back to where they should be. It has been a little disruptive in the past for a variety of reasons, some of which I'm sure you are very familiar with. We would like to get back to the normal authorization and appropriation process.

Mr. Duncan, do you have a question?

Mr. DUNCAN. Mr. Stanton, you mentioned one thing I am not really familiar with. I think I should be since it is $120 billion. What is the $120 billion Residual Domestic Discretionary Freeze Category? That is a lot of words.

Mr. STANTON. A lot of words, sir. I am not quite sure that I will be able to, in any detail, advise. It is my understanding, sir, that the budget that the Park Service has presented to Congress was a budget that was approved by President Reagan. However, President Bush, under certain authority could reconsider, if you will, some of the budget requests. It is my understanding that all programs included within that category we just described were subject to further review by the current administration.

The current administration has chosen not to make any adjustments to the Kennedy Center budget within that program category.

I assume, Congressman Duncan, that would refer to the so-called discretionary appropriations for which the administration would submit, based on what ever the authority may be, as contrasted with entitlement programs or other programs that must be funded pursuant to specific laws.

Mr. **Duncan**. So if I understand you correctly, what you are saying is that this is just the detailed or technical title for President Bush's budget, his revised budget, that he submitted after he took office, at least as far as the domestic programs are concerned.

Mr. **Stanton**. That is correct. In essence the Kennedy Center request is within that discretionary budget program administered by the President. That is correct, sir.

Mr. **Duncan**. All right, thank you.

Mr. Bosco. Mr. Lewis?

Mr. **Lewis**. Thank you very much, Mr. Chairman. Mr. Stanton, it is good to see you. I have heard nothing but good and positive things about your stewardship and leadership in this Department. I look forward to working with you, particularly with the Douglass house and the proposed African American Museum. I hope that we can have your help and your support.

Thank you.

Mr. **Stanton**. I certainly look forward as well, sir.

Mr. Bosco. Mr. Cardin.

Mr. **Cardin**. No questions.

Mr. Bosco. Mr. Parker.

Mr. **Parker**. I've got a real simple set of questions. Thank you, Mr. Chairman.

How many employees are we talking about?

Mr. **Stanton**. For the National Park Service at the Kennedy Center, we have 91.

Mr. **Parker**. I know you didn't build the Building. How long has it been built?

Mr. **Stanton**. The ground breaking occurred in 1964, sir. The doors were opened in 1971, and through an act of Congress, the National Park Service assumed responsibilities there in 1972.

Mr. **Parker**. Okay. My point is this. What I would like to understand is, and you may not have the answers to this, you have a garage, you have concrete, you have reinforced steel. In 1971—we're talking about 18 years. It has deteriorated?

Mr. **Stanton**. Yes, sir.

Mr. **Parker**. Why? I'm just wondering why. I know it has, but why did it deteriorate?

Mr. **Stanton**. Through the efforts of the Kennedy Board of Trustees, and Mr. Davidson and his staff may want to comment further on this, they commissioned an architectural engineering firm to take a look at the deteriorating condition of the garage and determined that perhaps there were some inappropriate or inadequate techniques used. Perhaps there was some material that had not cured adequately before they were installed, plus they determined that the placement of the steel reinforcement for the concrete slabs were perhaps too close to the surface. What has resulted is that through the cracks that have evolved over a period of time, the deicing and other corrosive materials have gotten to the metal and caused some deterioration.

I cannot comment further as to the specifics of what happened in terms of deterioration to that structure. I would like, sir, to defer to Mr. Davidson and his staff who have been closely aligned with the study and the use of the garage.

Mr. **Davidson**. Mr. Chairman, first of all the building was constructed by the General Service Administration complying with whatever the codes and standards were at that time. There is no doubt that there, and here I'm getting off into very difficult territory because I am not an engineer, but there does not seem adequate sealing on some of the areas of the floor of the Kennedy Center, and that combined with the fact that some of those steal reinforcing rods were not buried deep enough in the concrete, we have the situation very much like Memorial Bridge where the cars that came in had salt on the bottom and it dripped off, causing it to deteriorate.

As it was described to me by an engineer, it was very much like what happened to Memorial Bridge which was recently repaired. We have a full set of engineering studies that you can take a look at.

Mr. **Parker**. I have some pictures here. They're ugly pictures, I might add. It's really sad that it's some 17 years old, and it has started to deteriorate. I don't know that much about reinforced concrete, but I do know that you have to get the reinforced steel deep enough into it so that it's not exposed. Something's got to be done.

There's one other question I've got because I know everyone wants to go. Whenever you have your shows at the Kennedy Center, and for the non-performing arts and that sort of thing, I've noticed that ticket prices are somewhat expensive for some of the events that I have been to. Do you have a variety of events for people who come in at a very low cost?

Mr. **Davidson**. Congressman, let me get Bob off the hook. That's my problem.

We present everything at the Kennedy Center for the Performing Arts that you can imagine from circus to symphony. The ticket price policy for the center is to be competitive within our market—to charge what we think the traffic will bear. I would like to point out that we at the center have the largest half-priced ticket program of any performing arts center in the Nation. We are very cognizant of the fact that we should continue to make an effort to try to open our doors to people who can't afford the full price. That includes youth, senior citizens and the like.

When you get to a performance of the Dance Theater of Harlem which opened last night, for example, we will lose somewhere in the neighborhood of $150,000 to $200,000 in presenting them, but that is not unusual. That's not extraordinary. We would lose more if it were not for the fact that we sell out that performance. It's a very popular form of performing arts. We charge what we think the market will bear.

I don't think there is any question that in the future of performing arts that we looking at increased costs, we're looking at increased ticket prices. There's no way to avoid it. We do our best to try to keep ticket prices at a level that will attract the most folks to get into our theaters.

Mr. **Parker**. Thank you, very much. It's just a situation. I want you to be aware that there are some Members in Congress such as myself that feel that half price for the market here is still considerably higher than it is in most places. The Kennedy Center is a national treasure, and it's something all Americans need to be exposed to some way or another.

I just feel that there is such a place for it in our society, and I want people to enjoy it—especially those that can't afford to go. I'm real concerned about that, and I will continue to be concerned about that from here on out. You'll hear that question again.

Mr. **Davidson**. Well, Congressman, we're concerned too. We're kind of stuck on the horns of a dilemma. We cover an extraordinary amount of our costs from sales from the box office and other concession sales. Subsidy is a word that comes to mind when people say how we go about keeping ticket prices down.

We subsidize our ticket prices now through private donations. We go out and raise $12 million to $14 million a year in order to break even at the end of the year after we've presented the ballet, the National Symphony Orchestra, et cetera. So there is a subsidy going on, and it's being taken care of by individual donors, corporations and foundations.

We do have one grant from the National Endowment for the Arts. It's a matching grant of $1 million, which, with our budget of $58 million, is not a great deal. So we're working hard on that end, and I don't have a good answer for you on your question. I'd like to be able say that the doors were open to more people and we would never have to raise our prices. I responsibly cannot make that statement.

Mr. **Parker**. I realize that. I realize that you are in a dilemma. I want you to realize that I understand that situation. At the same time I want all the services provided to people. I will work with you any way I possibly can to help in that regard. Thank you, very much. Thank you, Mr. Chairman.

Mr. Bosco. I think the only people who can afford those prices these days are the teenagers. They seem to think nothing of paying $40 or $50 for tickets.

Mr. Duncan.

Mr. **Duncan**. Mr. Davidson, Congressman Parker got my curiosity up a little bit. You said that you have to raise $12 to $14 million to break even, and he talked about the high ticket prices, and you mentioned a $58 million a year budget. Do you break even based on your ticket sales and contributions?

Mr. **Davidson**. We manage to break even every year.

Mr. **Duncan**. So you're not receiving any funds from the Federal Government.

Mr. **Davidson**. We have the National Endowment for the Arts giving us $1 million which is a matching grant. The Federal funds that we do have are what the Park Service uses to carry out its responsibilities at the center. We do not have any other Federal funds.

Mr. **Duncan**. How much is that?

Mr. **Davidson**. It is about 3.5 percent of our total budget. Of that $15 million that you're looking at right now, about $5.5 million of that is for the maintenance of the Kennedy Center for heating, lighting and those kinds of things.

Mr. **Duncan**. On this parking garage, I understand that the parking garage now lets 30 percent of the revenues go to the concessionaire and 70 percent go to the Kennedy Center.

Mr. **Davidson**. That's right.

Mr. **Duncan**. The parking garage generates about $1.5 million a year?

Mr. **Davidson**. Yes, sir.

Mr. **Duncan**. Has any of that in the past been set aside for ordinary maintenance and repairs, or does it all go into the operating funds of the Kennedy Center?

Mr. **Davidson**. It all goes into the operating funds of the center.

Mr. **Duncan**. None of that has been set aside for repairs?

Mr. **Davidson**. No, that's one of the problems that the Kennedy Center has. It's what I call an unfunded maintenance budget. We are running a deficit at the Kennedy Center year in and year out which is increasing, because we just cannot, and do not, generate enough cash flow to take care of those kinds of maintenance problems. We're scrambling to break even every year.

One of the things we are doing to address that problem is that we are embarking, and in the planning stage of, a major endowment-fund drive, so that I can have an annual income generated by endowment which is going to give us the opportunity to put aside what any other business in the world would try to do which is a fund to deal with contingencies.

We just do not have that kind of cash flow that allows us to do that.

Mr. **Duncan**. Who is the concessionaire. Who operates that parking garage right now?

Mr. **Davidson**. A company called APCOA.

Mr. **Duncan**. And they get about $450,000 a year for doing that?

Mr. **Davidson**. Yes, sir.

Mr. **Duncan**. Is that some long-term contract?

Mr. **Davidson**. They have been there since the doors opened.

Mr. **Duncan**. How much longer do they have on their contract?

Mr. **Davidson**. Ten years, I believe.

Mr. **Duncan**. They have 10 years still remaining?

Mr. **Davidson**. Yes, sir.

Mr. **Duncan**. All right. Thank you.

Mr. Bosco. Thank you. And if there are no other questions, I would like to thank you all for your testimony.

[The prepared statements of Messrs. Stanton and Davidson follow:]

STATEMENT OF ROBERT G. STANTON, REGIONAL DIRECTOR, NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR, BEFORE THE HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO DISCUSS THE FISCAL YEAR 1990 BUDGET REQUEST FOR THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS.

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE, I AM PLEASED TO APPEAR BEFORE THIS SUBCOMMITTEE TO DISCUSS THE FISCAL YEAR 1990 BUDGET REQUEST FOR THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS.

UNDER SUBSECTION (e) OF SECTION 6 OF THE JOHN F. KENNEDY CENTER ACT (72 STAT. 1698, 1699; 20 U.S.C. 76h, 76 1), THE SECRETARY OF THE INTERIOR IS REQUIRED TO PROVIDE ALL SERVICES NECESSARY TO THE NONPERFORMING ARTS FUNCTIONS OF THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS, INCLUDING INFORMATION, INTERPRETATION, JANITORIAL, MAINTENANCE AND SECURITY SERVICES. THE SAME PROVISION ORIGINALLY AUTHORIZED FUNDS TO SUPPORT SUCH SERVICES THROUGH JUNE, 1973. RE-AUTHORIZING LEGISLATION WAS ENACTED FROM TIME TO TIME TO AMEND THE APPROPRIATION AUTHORIZATION IN SUBSECTION (e) IN ORDER TO PROVIDE AUTHORIZATION FOR A SPECIFIC FISCAL YEAR'S APPROPRIATION. THE MOST RECENT SPECIFIC AUTHORIZATION OF FUNDS WAS FOR FISCAL YEAR 1983. $5,181,000 WAS APPROPRIATED FOR THE NONPERFORMING ARTS FUNCTION OF THE JOHN F. KENNEDY CENTER UNDER "AN ACT MAKING FURTHER CONTINUING APPROPRIATION FOR THE FISCAL YEAR 1989, AND FOR OTHER PURPOSES.", APPROVED DECEMBER 27, 1988 (PUBLIC LAW 100-446).

THE JANUARY 9 BUDGET REQUEST OF $15,193,000 FOR THE KENNEDY CENTER IN FISCAL YEAR 1990 REPRESENTS AN INCREASE OF $10,012,000 OVER THE FY 1989 APPROPRIATION. A $10,000,000 INCREASE IS TO FUND REPAIRS TO THE GARAGE FACILITY WHICH HAS BEEN DETERIORATING DUE TO CORROSION OF THE STEEL REINFORCEMENT WITHIN THE CONCRETE. THIS REQUEST ALSO REFLECTS AN INCREASE OF $8,000 FOR THE FEDERAL EMPLOYEE'S RETIREMENT SYSTEM (FERS), INCREASED PAY COSTS OF $23,000 AND A DECREASE OF $19,000 FOR ABSORPTION OF THE 1990 PORTION OF THE 1989 PAY INCREASE AND INCREASED 1990 FERS COSTS.

THE OFFICE OF MANAGEMENT AND BUDGET HAS ADVISED THAT THE BUSH ADMINISTRATION HAS NOT PROPOSED ANY SPECIFIC CHANGES TO THE JANUARY 9 BUDGET REQUEST FOR THE KENNEDY CENTER. THEREFORE, THIS ITEM IS INCLUDED IN THE $120 BILLION DOLLAR RESIDUAL DOMESTIC DISCRETIONARY FREEZE CATEGORY, WHICH IS SUBJECT TO NEGOTIATION WITH CONGRESS.

IF NO FUNDS ARE PROVIDED FOR THE REPAIRS ON THE GARAGE, THIS WOULD EVENTUALLY LEAD TO CLOSING PORTIONS AND ULTIMATELY ALL OF THE GARAGE FACILITY. THE STRUCTURAL INTEGRITY OF THE CENTER ITSELF WOULD EVENTUALLY BE AFFECTED IF THE PARKING FACILITY WERE ALLOWED TO DETERIORATE INDEFINITELY.

THERE ARE NO OTHER PROPOSED PERSONNEL INCREASES OR DECREASES IN THE FISCAL YEAR 1990 BUDGET AND NO PROPOSED RESCISSIONS, DEFERRALS OR SUPPLEMENTALS RELATED TO THE KENNEDY CENTER FOR

FISCAL YEAR 1989. THE 4.1 PERCENT PAY INCREASE FOR FY-89 IS BEING ABSORBED BY DEFERRING A CYCLIC MAINTENANCE PROGRAM SCHEDULED TO BE ACCOMPLISHED THIS YEAR, SPECIFICALLY, REPLACEMENT PLANTING OF VARIOUS TREES ON THE GROUNDS OF THE KENNEDY CENTER.

THE SERVICE NOTES THAT APPROVAL OF THE JANUARY 9 BUDGET REQUEST WOULD ENABLE THE NATIONAL PARK SERVICE TO CONTINUE TO CARRY OUT ITS RESPONSIBILITIES FOR THE NONPERFORMING ARTS FUNCTIONS FOR THE KENNEDY CENTER AND TO MAKE NECESSARY GARAGE REPAIRS TO ENSURE THE SAFETY OF THE VISITING PUBLIC AND TO PROTECT THE FEDERAL INVESTMENT IN THE FACILITY.

MR. CHAIRMAN, I WILL TRY TO ANSWER ANY QUESTIONS YOU AND ANY OTHER MEMBERS MAY HAVE.

STATEMENT OF RALPH P. DAVIDSON, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, OF THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS BEFORE THE HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS, ON BEHALF OF THE FISCAL YEAR 1990 BUDGET REQUEST FOR THE NATIONAL PARK SERVICE NON-PERFORMING ARTS FUNCTIONS.

Mr. Chairman and members of the subcommittee, I'm Ralph Davidson, chairman of the Board of Trustees of the Kennedy Center. Joining me today are William Becker, Associate Counsel for the Center, and Gerry Otremba, Director of Operations.

I am pleased to appear before this Committee for the first time. The relationship between the National Park Service and the Kennedy Center dates from 1972 and represents a unique arrangement that allows the Board of Trustees to focus on its responsibilities for performing arts programming while the Park Service cares for the living Presidential memorial created by Congress in 1964.

I am here today to join Bob Stanton and his staff in answering any questions the Committee might have about the FY90 request, which includes $10,000,000 to fund repairs to a deteriorating garage and building substructure. The National Park Service is proceeding with the award of an architectural and engineering study during the current fiscal year that will identify the best combination of repair methodologies and finalize a cost estimate and timetable for repair.

The Board of Trustees firmly supports the request put forward in the President's budget for the Center even though the repair specified will severely disrupt our parking facilities -- facilities that are already strained beyond capacity virtually every evening. Once underway, the repair program will also substantially decrease the revenues available to the board to meet its operating and programming expenses. The severity of the deterioration argues, however, for the speediest initiation of the repair program.

On behalf of the Board of Trustees, I can pledge every cooperation needed to the Park Service to insure that the facilities of the Center are available throughout the repair period to the millions of patrons and visitors who pour through our doors every year.

Mr. Chairman, I would be happy to try and answer any questions you might have.

Prepared for release March 15, 1989.

Mr. Bosco. I would like to bring to the committee's attention this fine document on our subcommittee's jurisdiction. I know there is some risk on presenting this information on too broad of a basis, but I think you will find it to be accurate and a good overview of what we are supposed to be doing.

[The information follows:]

JURISDICTION OF THE SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

February 26, 1989

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I. ORIGIN OF JURISDICTION: HOUSE OF REPRESENTATIVES RULE 10

The Rules of the House of Representatives of the One Hundredth Congress were adopted, with amendments, as the Rules of the 101st Congress on January 3, 1989.

The establishment and jurisdiction of the standing Committees of the House are provided for in Rule 10 of the House Rules. Rule 10, clause 1, subsection (p) grants to the Committee on Public Works and Transportation jurisdiction over 13 enumerated areas, described in general terms, of which four relate to the Subcommittee on Public Buildings and Grounds:

> (2) Measures relating to the Capitol Building and the Senate and House Office Buildings.
> (4) Measures relating to the construction or reconstruction, maintenance, and care of the buildings and grounds of the Botanic Gardens, the Library of Congress, and the Smithsonian Institution.
> (5) Measures relating to the purchase of sites and construction of post offices, customhouses, Federal courthouses, and Government buildings within the District of Columbia.
> (7) Public buildings and occupied or improved grounds of the United States generally.

Rules of the House of Representatives One Hundred First Congress, Rule 10, cl. 1 (p).

It is within the province of the Committee on Public Works and Transportation to create subcommittees and assign to them specific areas of jurisdiction from that granted by the House Rule cited above.

II. CREATION AND CONFERRAL OF JURISDICTION

The Committee adopted Rules for the 101st Congress on February 9, 1989, and the subcommittees were assigned their respective jurisdiction by the following language:

> There shall be six standing subcommittees. All proposed legislation and other matters related to the subcommittees listed under standing subcommittees named below shall be referred to such subcommittees respectively:
>
> (1) Subcommittee on Aviation
> (2) Subcommittee on Economic Development
> (3) Subcommittee on Investigation and Oversight
> (4) Subcommittee on Public Buildings and Grounds
> (5) Subcommittee on Surface Transportation
> (6) Subcommittee on Water Resources

Committee on Public Works and Transportation, 100th Congress, Committee Rules, Rule No. XV(a).

Therefore, the jurisdiction of this Subcommittee extends to all proposed legislation and other matters related to public buildings and grounds within House Rule 10 as previously cited.

III. BRIEF HISTORY OF THE SUBCOMMITTEE

The Subcommittee on Public Buildings and Grounds is the oldest of the House Public Works and Transportation Committee's component bodies, having been created in 1837 as the Committee on Public Buildings and Grounds. The Committee enjoyed this full Committee status until the Legislative Reorganization Act of 1946, which combined four existing committees into what is now the Public Works and Transportation Committee, thus reducing Public Buildings and Grounds to subcommittee status.

Among the many notable accomplishments of the Subcommittee are the construction of the John F. Kennedy Center for the Performing Arts, the restoration of the White House during Truman's tenure, and the James Madison Building of the Library of Congress.

IV. JURISDICTION BY SUBJECT AREA

This section addresses the jurisdiction of the Subcommittee by subject areas, and includes descriptions of legislation that has been referred to the Committee (and ultimately to this Subcommittee), passed by the Congress, and finally signed into law by the President. Where appropriate, descriptions of bills or amendments that have not become law are included. The numerous pieces of legislation listed below are organized by headings which identify the respective subject areas.

A. THE PUBLIC BUILDINGS ACT OF 1959

The Public Buildings Act of 1959, Pub.L.No. 86-249, 73 Stat. 479 (codified as amended at 40 U.S.C. 601 et seq.)(amended 1972, 1976, 1988), is the primary piece of legislation which guides the meeting of Federal space requirements throughout the U.S., the District of Columbia, Puerto Rico, and possessions of the U.S. As amended, among other things, the Act empowers the Administrator of the General Services Administration (GSA) to acquire or construct buildings for the Federal government by purchase, condemnation, donation, exchange, or lease. The Public Buildings Amendments of 1972 (Pub. L. No. 92-313) reinstituted purchase-contract authority (analogous to lease-purchase or time-financing arrangements) to GSA for three years as a stop-gap measure to expedite an existing backlog of 68 authorized but unfunded projects. Currently, lease-purchase arrangements are opposed by the Administration, but are generally supported by the Congress as an alternative to leasing or direct construction, if sufficient funds are not available.

1. SECTION 7 PROSPECTUSES

The major provisions that affect the Congress are the sections of the Act which mandate House and Senate Committee approval for certain projects proposed by the GSA. Section 7 of the Act requires approval by resolutions from the Committee on Public Works and Transportation of the House of Representatives as well as by its Senate counterpart, the Committee on Environment and Public Works of the Senate, for construction, alteration, purchase, acquisition, or lease of a "public building" (defined below) if the project involves a total expenditure of (or has an average annual rental in excess of, in the case of leases) $1,500,000.00. If a particular project exceeds this dollar threshold, the GSA is required to submit a detailed prospectus on the project to the two Committees for approval by resolution. Additionally, the Act requires similar approval for alteration projects that exceed $750,000 for space leased by the U.S. for use for a public purpose.

2. 11(b) RESOLUTIONS

This Act also allows for authorizations to originate in another way. Section 11(b) of the Act provides that either the House or Senate Committee on Public Works by resolution can direct the GSA to prepare a report identical in content to the section 7 prospectus on the possible need for a project in a particular location. Thus, the Committee can review and approve 11(b) reports in the same fashion as a prospectus.

3. DEFINITION OF "PUBLIC BUILDING"

The term "public building" as used in this Act encompasses any building for the use of one or more Federal agencies or mixed ownership corporations, its grounds, appurtenances, and the like, including the following:

(1) Federal office buildings
(2) post offices
(3) customhouses
(4) courthouses
(5) appraisers stores
(6) border inspection facilities
(7) warehouses
(8) record centers
(9) relocation facilities
(10) similar Federal facilities

This Act does not apply to any buildings or projects:

(1) on the public domain
(2) on properties of the U.S. in foreign countries
(3) on Indian and native Eskimo properties held in trust by the U.S.
(4) on lands used in connection with Federal programs for agriculture, recreational or conservation purposes
(5) on or used in connection with:
    (A) river, harbor, flood control, reclamation or power projects, or chemical manufacturing or development, nuclear production, research, or development
    (B) housing and residential projects
(6) on military installations
(7) on Veterans' Administration installations used for hospital or domiciliary purposes.

B. THE GENERAL SERVICES ADMINISTRATION

Established July 1, 1949, by section 101 of the Federal Property and Administrative Services Act of 1949, the General Services Administration, or GSA (the "Government's landlord") is organized into four services responsible for individual agency missions and a number of staff offices that perform overall program management, administration, and certain government-wide regulatory and support functions. For background, the following shows the services responsible for GSA's varied missions:

1) Public Buildings Service - This is the real property management arm of GSA and provides for construction, acquisition by purchase, and repair/alteration of public buildings, related design and construction services, leasing of space, operation maintenance of facilities, and overall program management. Operations are conducted under a landlord-tenant type relationship, and activities are supported by the Federal Buildings Fund. This fund is a quasi-revolving fund financed by revenues from rental payments from Federal agencies that occupy GSA-controlled space;

2) Federal Supply Service - Provides for the procurement, management, and worldwide distribution of supplies and personal property, the direction and coordination of Government-wide transportation and travel management programs, and related services;

3) Information Resources Management Service - Coordinates and directs comprehensive Government-wide programs for the management, procurement, and utilization of automatic data processing, telecommunications, and office information equipment and services. Services are also provided to other agencies on a reimbursable basis in each of these fields;

4) Federal Property Resources Service - Provides for utilization and disposal of excess and surplus real property, and the acquisition, disposal, and administration of National Defense Stockpile inventories; and

5) Staff offices - The Administrator and a number of staff offices provide overall direction, management, and administration of GSA programs, as well as other Government-wide policy or regulatory functions. Not directly related to any individual program, their costs are supported by an annual General Management and Administration appropriation, and by an annual appropriation for Inspector General functions. In addition, the Working Capital Fund provides for general printing and reproduction services on a reimbursable basis.

Our Subcommittee's workload is primarily devoted to working with the Public Buildings Service (PBS) in addressing nationwide Federal space needs, and to overseeing the naming of Federal Buildings. The PBS operates under the guidelines of the Public Buildings Act of 1959, as amended (detailed above). The Act requires, among other things, that Federal building projects be developed in a manner that will insure the equitable distribution of public buildings throughout the U.S. with due regard for the comparative urgency of need for such buildings.

In addition, the Public Buildings Cooperative Use Act of 1976 (codified at 40 U.S.C. 601a et seq.) directs the Administrator of General Services to encourage the public use of public buildings, and it provides three primary methods of achieving this objective. First, it grants the Administrator the authority to participate in cooperative improvements between the property line and the street for activities that will complement or supplement the neighborhood of the building; second, it gives the Administrator the authority to lease out Federal space to non-Federal activities on the pedestrian access levels, roof tops, and courtyards of public buildings; and finally, it allows the Administrator to make available, with or without charge, facilities such as meeting rooms and auditoriums to organizations or firms engaged in cultural, recreational, or educational activities.

For FY 1990, the PBS is requesting a total budget of $3.4 billion, with $2.2 billion devoted to their capital improvement program. This program includes leasing of space, with a full $1.35 billion for lease payments. The GSA currently leases approximately 5,000 buildings (94 million square feet) and owns another approximately 2,000 buildings (140 million square feet). The GSA has purchased 13 buildings since 1983, but is not requesting any funding for purchase in their FY 1990 budget request.

With regard to the Federal Buildings Fund, in theory the Fund was to receive collections for rent charged to Federal agencies occupying GSA space, from which GSA could finance future acquisitions and maintenance, as well as operating expenses, for the PBS. At the time the legislation was drafted in 1972, it was anticipated that over $200 million would be available annually to finance the public buildings construction program. But in the years from 1975 (when the Fund went into operation) to 1982, the Fund had an average of only about $50 million available for construction. Since 1982, however, the available dollars for constrtuction has increased steadily, with the FY 1990 request at approximately $244 million for construction and acquisition from the Fund.

C. THE SMITHSONIAN INSTITUTION

The Smithsonian Institution was created by an Act of Congress in 1846 to effectuate the terms of the will of James Smithson of England who had donated his entire estate to the United States of America "to found at Washington, under the name of the Smithsonian Institution, an establishment for the increase and diffusion of knowledge among men."

The Smithsonian trust is administered by a Board of Regents who oversee the activities of the Institution. The Smithsonian conducts scientific and scholarly research, administers and houses the national collections and performs educational public service functions. The Institution is supported financially by its trust endowments and gifts, grants, and contracts and funds appropriated by the Congress. The Smithsonian Institution maintains space for its holdings and activities worldwide, and a description of Public Works projects within their inventory of facilities follows.

(1) Museum Support Center, Suitland, Maryland

This facility is the world's most up-to-date collections management facility, responsible for housing and protecting museum artifacts and specimens of the Institution. In 1975, Pub. L. No. 94-98 authorized plans for construction which began in 1981, and was completed in 1983, at a total cost of approximately $50 million.

(2) National Air and Space Museum, Washington, D.C.

This museum houses an unparalleled collection of artifacts which trace the history of man's aviation and space achievements from the launching at Kitty Hawk to the present. Construction for this complex was authorized in 1946 by Pub. L. No. 79-722 and opened in 1976. Legislation providing for expansion of this Museum has been introduced by Rep. Grant already in the 101st Congress (see H.R. 889).

(3) Natural History Building, Washington, D.C.

This structure houses the National Museum of Natural History and the National Museum of Man. In 1903, Congress appropriated funds for the building, which was completed in 1911. Extensions to the facility were added in 1963, 1965, and 1975.

(4) Smithsonian Astrophysical Laboratory

The Smithsonian currently maintains a number of facilities across the U.S. for the functions of this laboratory, most notably two sites: one site in Cambridge, Massachusetts in cooperation with the Harvard College Observatory through a joint venture known as the Center for Astrophysics; and another facility, the Fred Lawrence Whipple Observatory located atop Mount Hopkins, 35 miles south of Tucson, Arizona.

A new base camp for the Whipple Observatory was authorized, and $4.5 million appropriated, by Pub.L.No. 99-423 in 1986. There have also been appropriations in FY 1988 and 1989, and presently the design phase is underway.

The Whipple Observatory is the largest field installation of the Smithsonian's Astrophysical Laboratory. Here the Smithsonian operates several telescopes, including the Multiple Mirror Telescope (in conjunction with the University of Arizona), the third largest telescope in the world, which is being converted to a single-mirror instrument.

(5) Smithsonian Tropical Research Institute, Republic of Panama

This Institute consists of a number of facilities interspersed throughout Panama, with a research lab on Barro Colorado Island, its headquarters in Panama City, and a number of other facilities on other islands.

Pub.L.No. 99-423 enacted in 1986 authorized an appropriation of $11.1 million for, among other things, a new Tupper Laboratory and Conference Center. This Center will become operational during FY 1989. This funding was also to be used for construction of other laboratory facilities, a vivarium, an insectary, and dormitories. For FY 1990, the Smithsonian is requesting $3,480,000 for construction of three Atlantic coast labs and support facilities.

(6) Smithsonian Environmental Research Center

This branch of the Smithsonian is located in two complexes, a laboratory in Rockville, MD (formerly the Radiation Biology Laboratory) and a 2,600 acre facility in Edgewater, MD (formerly the Chesapeake Bay Center for Environmental Studies). Also located at the Edgewater complex is the Charles McC. Mathias, Jr. Laboratory for Environmental Research, authorized by Pub.L.No. 99-617 and $1,000,000 was authorized to be appropriated for construction. Together, these facilities measure physical, chemical and biological interactions in the environment and determine how these interactions control biological responses.

(7) Hirshhorn Museum and Sculpture Garden, Washington, D.C.

The Museum was established by Pub. L. 89-788 in 1966 to house the collection donated to the Smithsonian by Joseph H. Hirshhorn. The collection consists primarily of 19th and 20th century sculpture, prints and drawings, as the museum is devoted to the exhibition, study and interpretation of modern and contemporary art. Funds were appropriated in fiscal year 1969 by the Congress for construction of the museum.

(8) Center for African, Near Eastern and Asian Cultures,
Washington, D.C.

This Center, also known as the Quadrangle Museum Complex, opened its doors in September of 1987. The complex is composed of two pavilions, one which houses the National Museum of African Art, and the other which exhibits the Arthur M. Sackler Gallery. The Sackler and Freer galleries comprise the Smithsonian's Center for Asian Art, and are connected by an underground passageway. The complex also houses the International Institute, as well as other educational and program offices. Construction costs were approximately $75 million with $36,500,000 being appropriated by the Congress by Pub. L. No. 97-203 (see also Pub. L. No. 97-276) and the balance from non-Federal sources.

(9) Patent Office Building, Washington, D.C.

This building currently houses three collections of the Smithsonian, and underwent extensive renovation before being used as a gallery.

The National Museum of American Art is devoted to the conservation, study, and presentation of American painting, sculpture, design, crafts and graphic arts.

The Archives of American Art is the Nation's largest repository of documentary materials relating to the history of the visual arts in the U.S. The national headquarters of the Archives is located in New York, the chief processing and reference center in Washington, D.C., and regional offices in Boston, New York, Detroit and San Francisco. Its primary purpose is to acquire and preserve the documents needed by historians and other scholars for research in all aspects of American art history.

The National Portrait Gallery was established by an Act of Congress in 1962 to function as a museum for the exhibition and study of portraiture, in the form of paintings and photographs, of men and women who have made significant contributions to the history, development, and culture of the United States.

(10) National Museum of American History, Washington, D.C.

With Pub. L. No. 84-106, Congress authorized construction of this building. Its basic mission is to illuminate the entire history of the U.S. through collections, exhibits, research, publications and educational programs. Also housed here is the Dwight D. Eisenhower Institute for Historical Research, established in 1975.

(11) Cooper-Hewitt Museum of Decorative Art and Design,
New York, New York

This arts collection and library, open to the public since 1976, is located in the Carnegie Mansion at 5th Avenue and 91st Street. Major elements of the collection are textiles, drawings, prints, wallpaper, metal work, ceramics, glass and woodwork.

(12) Children's Challenger Center for Space Science

Pub. L. No. 99-622, approved November 6, 1986 expresses the sense of Congress that a Children's Challenger Center for Space Science should be established in conjunction with the Smithsonian as a living memorial to the seven Challenger astronauts who died serving their country and to other individuals who gave their lives in exploration of the space frontier. This law also calls for a collective effort in establishing this Center, soliciting the help of the Federal government, public and private organizations.

(13) National Museum of the American Indian

Negotiations for the establishment of a National Museum of the American Indian on the Mall in Washington are presently being conducted between the Smithsonian and the Heye Foundation, which currently operates the Museum of the American Indian in upper Manhattan. The Museum's collection of American Indian art is considered the largest and most comprehensive in the world.

The latest proposal calls for title to the Heye collection to be transferred to the Smithsonian, with the bulk of the holdings to be housed in a new museum to be built by the Smithsonian on the Mall, and the remainder to remain in New York in a large adjunct museum at the U.S. Custom House in lower Manhattan.

Among the hurdles to this plan, however, are the approval by the New York courts, since the Will of George Gustav Heye calls for the establishment of the museum in New York, and approval and financing by the Congress.

(14) John F. Kennedy Center for the Performing Arts.
Washington, D.C.

Pub. L. No. 85-874, approved September 2, 1958, authorized construction of a building to be designated the National Cultural Center. This law established the Center as a bureau within the Smithsonian Institution and provided for administration of the Center by a Board of Trustees. A Joint Resolution was passed during the 88th Congress, renaming the Center in memory of the late President John F. Kennedy. Construction was financed by private contributions over $28 million, a Federal matching grant of $23 million and a U.S. Treasury loan of $20.4 million. The total cost of constructing and equipping the Center, which was completed in 1971, was approximately $77.5 million.

In 1984 with the passage of Public Law 98-473 section 327, the Congress amended the Kennedy Center Act (codified at 20 U.S.C. 76 et seq.) by making the Treasury loan of $20.4 million interest free and terminating the obligation to repay the already-accrued interest. Moreover, the amendment established a sinking fund in the U.S. Treasury called the Kennedy Center Revenue Bond Sinking Fund, into which the Board of Trustees of the Center is required to pay $200,000 annually until the year 2016.

Section 4 of the Act requires the Board to: (1) present classical and contemporary music, opera, dance and poetry from this and other countries; (2) present lectures and other programs; (3) develop programs for children, youth and the elderly (and for other age groups as well) in such arts designed specifically for their participation, education and recreation; (4) provide facilities for the other civic activities at the Center; and (5) provide, within the Center, a suitable memorial in honor of President Kennedy.

The Act by amendment in 1972 designated the Secretary of the Interior, acting through the National Park Service, to provide maintenance, security, information, interpretation, janitorial, and all other necessary nonperforming arts functions. Funds to pay for such services are appropriated annually to the Secretary of the Interior. The most recent, Pub.L.No. 100-446, authorized to be appropriated $5,181,000 for the fiscal year ending September 30, 1989. Also, the Center annually reimburses the Park Service a pro-rata share of maintenance costs.

In June of 1977, Pub. L. No. 95-50 authorized to be appropriated $4,700,000 for repair of leaks in the roof of the Center. Presently, the Park Service is seeking authorization and appropriation of $10 million for FY 1990 to repair structural damage to the garage from water, and already received approximately $900,000 last year from the Congress for the design phase of the project.

(15) General Post Office. Washington, D.C.

The General Post Office Building is located between 7th and 8th Streets, Northwest and E and F Streets, and is the former home of the International Trade Commission. Pub. L. No. 98-523, approved October 19, 1984 authorizes the Administrator of the GSA to transfer the building to the Smithsonian Institution, without reimbursement, for use as an art gallery. The Act also authorized to be appropriated to the Board of Regents of the Smithsonian $40 million for renovation and repair of the building. To date, the building remains under GSA control. Additionally, the Smithsonian is requesting $1,750,000 in this year's budget request to begin the design phase of the renovation.

(16) National Gallery of Art, Washington, D.C.

Widely recognized as one of the world's great art museums, the museum was founded in 1937 when financier Andrew W. Mellon gave his collection of paintings and sculptures to the Nation, together with funds for the building. The Gallery, although technically a bureau of the Smithsonian, is an autonomous organization governed by its own board of trustees.

The Gallery is housed in two buildings, the original West building, and the East Building, completed in 1978 as a gift of Paul Mellon, his sister, the late Ailsa Mellon Bruce, and the Andrew Mellon Foundation. Today the Gallery exhibits pieces from numerous great private collections along with the original Mellon bequest.

(17) Postal Museum

The Smithsonian is presently working with the U.S. Postal Service to create a postal museum as part of the American History Museum in the City Post Office adjacent to Union Station in Washington. Currently, a proposal calls for the Postal Service to create space for the museum, as well as provide additional operating costs. No funding from the Congress is anticipated at this time, but likely will be needed for operating costs in the future.

(D) FOREIGN SERVICE INSTITUTE FACILITIES

Pub. L. No. 99-93, section 123 facilitates the Department of State's goal of establishing a national training center for the Foreign Service. The Foreign Service Institute (FSI) is presently located in space leased by the GSA in 4 buildings in Rosslyn, Virginia. The law allows the GSA to construct a consolidated training facility for the FSI on a site made available by the Secretary of State or acquired by the Administrator of GSA. The chosen site, the Arlington Hall site, was transferred from the Department of the Army to the Department of State, effective October 1, 1989. The law also provided for $11 million for feasibility studies, site acquisition, and design, and $50 million for construction. Currently, the project is in the concept phase, with actual construction targeted to commence late in the summer of 1990.

(E) INTERNATIONAL CENTER, Washington, D.C.

Pub. L. No. 90-553, approved October 8, 1968, authorized the Secretary of State to sell or lease to foreign governments and an international organization approximately 34 acres of a Federally-owned site in Northwest Washington, D.C. The International Center was to provide chanceries for approximately 14 foreign governments and a headquarters building on a parcel, not to exceed 8 acres, for the Organization of American States (OAS). Pub. L. No. 93-40, signed in May 1973, authorized $2.2 million to allow the Secretary of State to initiate site development. The remaining site development costs would be provided through the leasing of property at the Center to foreign governments; such sales would also provide funds to reimburse the Treasury for all funds expended from the $2.2 million appropriated.

Pub. L. No. 97-186 amended Pub. L. No. 90-553 by adding an additional 12 acres within the Federally-owned Bureau of Standards site in Northwest Washington, D.C., for development for foreign government chanceries and chancery compounds, which, together with the 34 acres available under the original Act, would accommodate approximately 23 chanceries of smaller to medium-sized foreign missions.

The Act also provided for the development of a headquarters facility for an international organization, other than the OAS as contemplated in the original Act, in order to complete the International Center in accordance with the Federal Element of the Comprehensive Plan for the National Capital. In addition,, upon the request of any foreign government or international organization and with funds provided by such government or organization in advance, the Administrator of General Services was authorized to design, construct, and equip a building on this property.

Lastly, the Act authorized the Secretary of the Department of State to utilize proceeds realized from the lease, sale or exchange of land in the International Center to defray development costs, as is current practice at the Center. The Secretary was also authorized to utilize proceeds for maintenance and security on those properties within the site which have not been conveyed to a government or international organization, and for surveys and plans related to development of additional areas within the Nation's Capital for chancery and diplomatic purposes, to the extent provided for in appropriation acts.

Section 124 of Pub. L. No. 99-9 entitled "International Center" provides the Department of State with the authority necessary to complete the International Center by providing an on-site facility for maintenance, security equipment, and personnel. The original plan for the development of the Center did not provide facilities for on-site security and maintenance. The new authority will not require any additional funding authorization. The International Center Act presently provides for lease proceeds to be placed in a special account which is specifically available for security and maintenance. This section also clarifies the Secretary's authority to build facilities to accomplish these purposes. The Uniformed Division of the Secret Service (which will be providing primary protective services for the more than 20 foreign missions, and where necessary, for the headquarters of INTELESAT located in the Center) will be housed in this on-site facility. In addition, street and grounds maintenance equipment will be located there.

Presently, there are 13 lots under lease with five chanceries constructed, six lots are on hold pending a final decision on leasing, two requests to hold lots are pending review by the State Department, one lot is still available and one lot is reserved for construction of a new Federal building, now under construction. This is being built to provide the essential security and administrative services to the embassies, and will house elements of the Secret Service, Diplomatic Security and the Office of Foreign Missions.

(F) UNITED STATES SECRET SERVICE UNIFORMED DIVISION

The Subcommittee has exercised jurisdiction over the Uniformed Division of the Secret Service. Legislation creating a permanent police force to protect the Executive Mansion (the White House), known as the "White House Police", was referred to the Committee on Public Works, and became law on June 25, 1948 (Ch. 644, 62 Stat. 680; codified as amended at 3 U.S.C. 202). The name of this force was changed to the "United States Secret Service Uniformed Division" in November of 1977 (Pub.L.No. 95-179. 91 Stat. 1371), and protects, under the Secretary of the Treasury, the following:

(1) the White House and any building in which Presidential Offices are located,

(2) the President and members of his immediate family;

(3) foreign diplomatic missions located in the metropolitan area of D.C.;

(4) the temporary official residence of the Vice President (i.e. the Naval Observatory);

(5) the Vice President and members of his immediate family;

(6) foreign diplomatic missions located outside of D.C., et al.; if requested (subject to requirements).

Our Subcommittee's jurisdiction in this area is apparently rooted in guarding buildings that are within our jurisdiction, specifically the White House. The last activity our Subcommittee had with the Uniformed Division was with the passage of Public Law No. 99-591 in October of 1986. This law provided for the consolidation of protective measures around the White House by adding the Treasury Building, Annex, and grounds to those areas secured by the Uniformed Division. As far as protecting foreign diplomats outside the metropolitan area of D.C., the State Department is charged with that responsibility.

(G) JUDICIARY OFFICE BUILDING

Pub. L. No. 100-480, the Judiciary Office Building Development Act, was approved in October of 1988. This legislation authorizes the Architect of the Capitol to contract for the design and construction of a 520,000 square foot building adjacent to Union Station in Washington to house the Administrative Office of the United States Courts, other offices of the judicial branch (including office space for retired Justices of the Supreme Court), and to accommodate such other governmental and mixed-use activities as may be appropriate.

The United States has title to the land upon which the complex will be constructed, and will not be providing any funds for the development and construction of the building. However, lease payments will be made by the U.S. to the developer for a period of not more than 30 years, at which time title will immediately revert to the U.S. without any further compensation.

The project is at the negotiating stage presently, with the developer/architect having been selected by the Architect in January of 1989. The tentative schedule targets July of 1992 as the date when occupancy of the building will be at 90%.

(H) FEDERAL TRIANGLE DEVELOPMENT

In August of 1987, the Federal Triangle Development Act (Pub.L.No. 100-113) became law. This Act gave the Pennsylvania Avenue Development Corporation (PADC) responsibility for conducting a competition and selecting a private development team to design, finance, and construct a Federal office complex, including an International Cultural and Trade Center (ICTC), in the Federal Triangle.

The PADC is a wholly-owned corporation of the U.S. Government created in 1972 by the Congress (Pub.L.No. 92-578) to plan and guide the development of Pennsylvania Avenue and its environment between the White House and the Capitol. The PADC has the authority to regulate both private and public development, to carry out construction activities, and to enter into a wide variety of real estate transactions. It is the Congress that appropriates funds for the PADC's activities. The PADC is accepting proposals on or before April 3, 1989 to develop the Federal Triangle site.

The Act provides that GSA will lease the building complex for thirty years (paid through user charges collected from occupant agencies), with title vesting in GSA at the end of the lease term at no additional cost. The PADC will approve the design and monitor and inspect the building complex's construction in conjunction with the GSA. The complex will contain 3.1 million gross square feet, and be able to house the ICTC and other Federal offices. The plan calls for 500,000 occupiable square feet for the ICTC and 1,350,000 occupiable square feet for the Woodrow Wilson Center and divisions of various Federal agencies. The target date for occupancy is September of 1994.

(I) PUBLIC BUILDING ACCESSIBILITY TO THE HANDICAPPED

Congress enacted the Architectural Barriers Act of 1968 (Pub.L.No. 90-480) "to ensure that certain buildings financed with Federal funds are so designed and constructed as to be accessible to the physically handicapped." Standards for the design, construction, and alteration of these buildings are issued by the General Services Administration, Department of Housing and Urban Development, Department of Defense, and the United States Postal Service.

The Architectural and Transportation Barriers Compliance Board (Board) was established under section 502 of the 1973 Rehabilitation Act (Pub.L.No. 93-112) to insure compliance with accessibility standards issued under the 1968 Act by the four Federal standard-setting agencies. The 1978 amendments (Pub.L.No. 95-602) authorized the Board to establish minimum guidelines and requirements for standards issued under the 1968

Act, to develop standards and provide technical assistance to any public or private entity affected by regulations issued under Title V of the Rehabilitation Act, and to carry out other activities to eliminate architectural, transportation, communication, and attitudinal barriers.

The Board published its Minimum Guidelines and Requirements for Accessible Design (MGRAD) on August 4, 1982. The Uniform Federal Accessibility Standards (UFAS), based on MGRAD, were published by the four standard-setting agencies on August 7, 1984. The UFAS presents uniform standards for the design, construction, and alteration of buildings so that physically handicapped people will have ready access to and use of them in accordance with the Architectural Barriers Act. These uniform standards provide a single set of standards instead of the individual standards previously issued by the standard-setting agencies, and minimize the difference between these standards and those access requirements recommended for facilities not Federally funded or constructed.

(J) LIBRARY OF CONGRESS

Pub. L. No. 98-427, enacted in 1984, authorized and directed the Librarian of Congress to proceed with the construction of a Library of Congress Mass Book Deacidification Facility. The site for the facility is Fort Detrick, Maryland, and $11.5 million was authorized by this legislation to be appropriated for its construction.

A prototype test facility was constructed at the Goddard Space Flight Center to test a 5,000 book deacidification process. The Library, in cooperation with NASA and Northrup Services, Inc. began work on engineering specifications and design of the prototype vacuum chamber needed for the Fort Detrick Facility.

However, two separate incidents involving fire occurred at the Goddard Center in December 1985 and February 1986, leading to the Library's cancellation of its contract with NASA and Northrop. An Accident Investigation Board Report issued by NASA confirmed preliminary findings that a combination of procedural error, design flaws, and equipment failures caused the fires. Consequently, in November of 1986, the Library entered into a contract with Texas Alkyls, Inc. of Houston, Texas and S&B Engineering to undertake engineering studies and to redesign a pilot book deacidification facility.

Presently, the Library has completed testing of its patented diethyl zinc (DEZ) mass deacidification process at the pilot facility in Houston. The pilot test phase began in January 1988. The goal of the pilot program was twofold. First, to build, test and operate a DEZ production facility to mass deacidify books, manuscripts, and maps. Secondly, to use the test facility to specify design elements for a large-scale facility. Using data and experience from operation of the pilot facility, the Library's project staff and contractors have specified the design for a large-scale plant that would treat one million books per year.

The Library is also requesting for FY 1990 from the Committee on Appropriations the sum of $1,080,000 for rental of an off-Capitol Hill collections facility. This facility is necessary to accommodate continuing growth of its collections, and will house approximately 3 million little-used volumes (mostly bound periodicals).

As noted previously, our Subcommittee authorized the construction of the James Madison Building of the Library with Pub. L. No. 89-260, and a number of additional appropriations followed to complete the building (see Pub. L. No. 91-214, 91-382, 95-548).

(V) ADDITIONAL NOTES

(A) RELATED JURISDICTION OF OTHER COMMITTEES

Note: prior to the 94th Congress, a bill could not be divided among two or more committees, although it contained matters properly within the jurisdiction of several committees. Currently, the Speaker of the House is authorized to refer any matter to more than one committee.

(1) Joint Committee of Congress on the Library

Created by the Congress in 1946, (2 U.S.C. 1326) this Committee is comprised of the Chairman and four Members of the Committee on Rules and Administration of the Senate and the Chairman and four Members of the Committee on House Administration of the House. The House Members are elected by resolution each new Congress. This Committee considers proposals concerning the management and maintenance of the Botanic Gardens, the receipt of gifts for the benefit of the Library, and certain matters relating to placing of statues and other works of art in the Capitol.

(2) Committee on House Administration

Rule 10, clause 1,(k) of the House Rules confers jurisdiction to this Committee over matters relating to the Library of Congress and the House Library; statuary and pictures; acceptance or purchase of works of art for the Capitol; the Botanic Gardens; management of the Library of Congress; purchase of books and manuscripts; erection of monuments to the memory of individuals; and matters relating to the Smithsonian Institution and the incorporation of similar institutions, except as provided in clause 1(p)(4) which details the jurisdiction of our Subcommittee. This Committee now has jurisdiction of some subjects formerly within the jurisdiction of the Joint Committee of Congress on the Library.

(3) Committee on Government Operations

The GSA is charged with the disposal of real and personal property of the Government by the Federal Property and Administrative Services Act of 1949 (codified as amended in scattered sections of 40 U.S.C. and 41 U.S.C.) This Act requires the GSA to submit an explanatory statement of each disposal of real or personal property having a fair market value in excess of $1,000, in advance of such disposal, to the appropriate Committees of the Congress. The House Committee which receives these transmittals is the Government Operations Committee.

The Act also requires the GSA to submit annually a report detailing all personal property donated and all real property transferred or conveyed. Additionally, GSA must provide the Congress with an annual report of receipts, disbursements, and transfers to miscellaneous receipts in the Treasury. This report details all of the proceeds from the transfer or disposition of property under the Act during the year.

(B) HOUSE OFFICE BUILDING COMMISSION

The Commission has three Members: the Speaker of the House, the Majority Leader of the House, and the Minority Leader of the House. The Architect of the Capitol operates under the direction of the Commission with respect to House Office Building projects. The Commission has jurisdiction by statute over the House Office Buildings for the assignment of space, approval of maintenance, modifications to the buildings, and anything that might take place within them.

As noted previously, the Architect receives direction and approval from the Commission regarding modifications to the House buildings. If, for example, the Subcommittee wishes to expand the Committee room, the Architect would approach the Commission and seek approval. If approved, but no funds were available in the ordinary maintenance account, the Architect would then approach the Committee on Appropriations for funding.

(C) THE ARCHITECT OF THE CAPITOL

The Architect of the Capitol, acting as an agent of the Congress, has responsibility for the structural and mechanical care of the Capitol Building, and for the care and repair of all works of art in the Capitol under the direction of the Joint Committee on the Library. He is also responsible for the care and improvements of the Capitol grounds, and for the structural and mechanical work, including all necessary repairs, of the Library of Congress Buildings and the Supreme Court Building. (See 2 U.S.C. 141 et seq.)

Under the direction of the House Office Building Commission, he has many responsibilities, including the care, maintenance, and operation of the Capitol power plant, and the structural, mechanical and domestic care, operation and maintenance of the House Office Buildings. Similarly, subject to approval of the Senate Committee on Rules and Administration as to matters of general policy, the Architect is charged with the structural, mechanical, and domestic care of the Senate Office Buildings.

Recent projects of the Architect's Office include improvements to the Capitol, e.g., restoration of the West Front (completed in 1987, $25 million under budget), conservation of the Rotunda canopy, and replacement of tile in the Senate corridors; procurement and installation of hydraulic security barriers and bollards at the vehicular entrances to the Capitol square; interior restoration and renovation of the Thomas Jefferson and John Adams Buildings of the Library of Congress (pursuant to continuing authority for structural and mechanical repair); and direction of the Master Plan for Future Development of the U.S. Capitol and related areas.

Currently, the Architect uses his continuing authorization for all structural work, including all necessary repairs, pursuant to 2 U.S.C. 141, to renovate the buildings of the Library of Congress. The Architect submits his proposals directly to the Subcommittee on Legislative Branch Appropriations of the House Committee on Appropriations without coming to our Subcommittee for approval or authorization. Consequently, the Architect did not receive authorizing legislation for the $81 million renovation which was characterized by the Architect's office as "maintenance".

House Rule 10 specifically assigns jurisdiction over these activities to our Committee, which leads one to conclude that concurrent or joint jurisdiction exists in this area. This jurisdictional issue has been questioned in the past.

(D) POSTAL SERVICE

Although the Subcommittee is still given jurisdiction by the House Rules over purchasing sites and constructing post offices, and in spite of the 1959 Act's language pertaining to post offices, the Subcommittee effectively lost jurisdiction over post office facilities with the creation of the Postal Service in August of 1970 by Pub. L. No. 91-375 (codified at Title 39 U.S.C.). Section 401 of this law gives the Postal Service, acting as a quasi-government entity, the power to acquire, hold, maintain, sell or lease real property and to construct, operate, lease, and maintain buildings, facilities, and equipment of the Postal Service. With this conferral of power came title to all real property that was 55% or more occupied by or under control of the former Post Office Department. The funding for the Postal Service's activities comes from the Postal Service Fund, a revolving fund established in the Treasury by this law. Currently, the Postal Service has an ambitious capital investment program, with over $12 billion planned expenditures from the Fund over the next five years for new construction of facilities, equipment, and other improvements. There are two House Subcommittees responsible for oversight of the Service, the Postal Operations and Service, and the Postal Personnel and Modernization Subcommittees. These two Subcommittees hold annual joint oversight hearings on the Service's budget.

Mr. Bosco. Thank you all very much, and we will recess until tomorrow.

[Whereupon, at 11:42 a.m., the subcommittee recessed.]

A REVIEW OF THE FISCAL YEAR 1990 BUDGET RELATING TO ITEMS UNDER THE JURISDICTION OF THE SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

THURSDAY, MARCH 16, 1989

U.S. House of Representatives,
Subcommittee on Public Buildings and Grounds,
Committee on Public Works and Transportation,
Washington, DC.

The subcommittee met, pursuant to notice, at 9:40 a.m., in room 2167, Rayburn House Office Building, Hon. Douglas H. Bosco (chairman of the subcommittee) presiding.

Mr. Bosco. Good morning. We'll call the Public Buildings and Grounds Subcommittee to order. This is our second meeting. We met yesterday, and today we're going to go over the items that will be coming up before the subcommittee this year, as well as a number of budget matters.

I am pleased to have with us our ranking minority member, Tom Petri, who has a brief statement to make, as well.

Mr. Petri. Thank you, Mr. Chairman. I apologize for not being at the hearing yesterday. I had, unfortunately, another meeting to attend.

But I really want to say how pleased I personally am to have the opportunity to work with you as your ranking minority member on this subcommittee, and I am happy that you're the new chairman of this subcommittee. I know it's going to be a very active and conscientious subcommittee. And I'm happy, as I said, to be a part of it.

I join you in welcoming those who will testify this morning, and look forward to learning more about the future of the various programs and agencies under this subcommittee's jurisdiction. And I also ask unanimous consent that the statement of the Ranking Republican on the Full Committee, John Paul Hammerschmidt, be inserted in the record of this hearing.

Mr. Bosco. Without objection, we'll certainly do that.

[The statement of Mr. Hammerschmidt follows:]

Statement of Hon. John Paul Hammerschmidt, Subcommittee on Public Buildings and Grounds, March 16, 1989

This morning we are continuing our review of programs and budget requests of agencies under the subcommittee's jurisdiction.

Much of this subcommittee's time is devoted to the General Services Administration. We welcome this opportunity to learn of GSA's plans for our Public Buildings Program, the housing of Federal agencies, and providing space for the U.S. courts.

The subcommittee will also receive status reports on various projects previously approved, such as the new development on the Federal triangle, as well as the current and future direction of Protective Services provided by the State Department and Secret Service.

Finally, I want to welcome as our first witness today Congressman Frank McCloskey, our colleague from Indiana. Testimony received this morning will be most useful to the subcommittee in the months ahead. Thank you, Mr. Chairman.

Mr. Bosco. Good morning, Mr. Cox, would you care to make a statement?

Mr. Cox. Only to add that I, too, am very pleased to be here, and I'm looking forward to a very productive session.

Mr. Bosco. It's good to have you with us.

We will now hear from Mr. Richard Austin, the Acting Administrator of the General Services Administration.

Welcome, Mr. Austin. It's a pleasure to have you here.

Mr. Austin. Thank you, Mr. Chairman.

Mr. Bosco. Please proceed.

TESTIMONY OF RICHARD G. AUSTIN, ACTING ADMINISTRATOR, GENERAL SERVICES ADMINISTRATION

Mr. Austin. Mr. Chairman, I would ask that my prepared statement be entered into the record. I do, however, have a brief statement that I would like to also make at this point, with your permission.

Mr. Bosco. Please go right ahead.

Mr. Austin. Mr. Chairman, members of the subcommittee, it's a pleasure for me to appear here before you today to discuss the fiscal year 1990 budget for the General Services Administration's Public Building Service.

Our fiscal year 1990 Capital Budget request is for $839.9 million. It represents a seven percent increase above fiscal year 1989 levels. This includes $244.5 million for new construction, primarily devoted to consolidating the headquarters of the Environmental Protection Agency in a new facility within the District of Columbia. We are also requesting funds for site acquisition and construction for border stations at Skagway, Alaska and construction funds for a border station at International Falls, Minnesota. In support of the Judiciary we are requesting construction funds for the Federal Building/Courthouse at St. Croix, Virgin Islands and site acquisition funds for a Courthouse at Alexandria, Virginia and for a Federal Building/Court complex at Kansas City, Kansas. These projects were developed in accordance with requirements identified by the Administrative Office of the Courts and the border station inspection agencies.

Again this year, the large portion of our Capital Budget is devoted to Repair and Alteration activities, a request of $438.2 million. As in 1989 our budget emphasizes health and safety improvements and basic repairs; $113.7 million or 26 percent of the total program is for health and safety related projects; $255.2 million or 58 percent of the total program is for basic repairs and modernization of our aging inventory.

We're requesting funding of $157.1 million for Design and Construction services activities, including $17.3 million in support of our New Construction program and $62.2 million in support of the

Repairs and Alterations program. Also included in these funds is the design of 45 prospectus level projects whose construction will be funded in the future years. Eleven of those designs represent projects that will provide additional facilities for the Judiciary, including space for judges to be appointed under the planned omnibus legislation.

The fiscal year 1990 Rental of Space request of $1.3525 billion, Mr. Chairman, provides for projected increases in commercial rental rates and the continued growth of our leased inventory. In fiscal year 1990 we will experience major increases in the cost of GSA's leased inventory, as large, long-term leases in the National Capital Region, such as the Parklawn and Nassif buildings, will expire and must be replaced. Additionally, client agency demands for expansion space remain significant particularly amongst our largest clients, Justice, Defense and Treasury. This expansion will be offset by lease cancellations due to agency consolidations, more efficient space utilization and moves to Government-owned buildings.

Mr. Chairman, I feel that this is a sound budget that effectively uses the resources available in the Federal Buildings Fund, and we look forward to working with this committee and your leadership in review of our fiscal year 1990 prospectus level projects.

Since I did, however, mention the EPA building earlier in my statement, I feel that I should start down the project list with this one. Mr. Chairman, a lot of discussions have taken place as to where the EPA should be located. I know that this committee has held no less than four hearings on this subject in the last Congress. Nevertheless, this matter is still under discussion. I am planning on meeting with the EPA Administrator, Mr. Reilly, in the very near future. At that time, I intend to put, if you will, my money where my mouth is, by suggesting that both EPA and GSA relocate to the Southeast Federal Center, a pioneer partnership, if you will, Mr. Chairman.

There is a disagreement as to space requirements for EPA. EPA has indicated a need, and this committee has approved, a resolution for 1.4 million square feet of space, as EPA assumes considerable growth in staffing over the next several years. In discussions with OMB, the future of EPA's employment growth is far more uncertain. Based on current calculations, GSA projects EPA's space needs to be approximately 1,117,000 square feet. I would like to point out that while expansion at leased locations would be unlikely, should EPA indeed realize this planned growth, the Southeast Federal Center could easily accommodate such expansions. In fact, expansions could be included in the design phase itself.

On October 13th, 1988 this committee approved a prospectus for the leasing of 177,090 square feet in the Washington Metropolitan Area for the IRS expansion needs. This requirement constitutes the first element in addressing the comprehensive space needs of the IRS National Office. Since the total amount of space required is a function of growth in IRS programs and associated personnel needs, charting anticipated increases in these areas is central to determining the most cost-effective and non-fragmentary approach to providing suitable long-term housing for this agency. Consequently, representatives of the Department of the Treasury, Office of Management and Budget, IRS, and GSA plan to meet in the near future to discuss program and personnel growth projects, which will serve as a foundation for establishing space requirements that clearly represent the position of this Administration.

Based on the outcome of those decisions, GSA will update a report of Building Projects Survey, the 11(b), that was drafted in February of 1988, and submit it to the Congress as requested by this committee. It is anticipated that the report will propose the satisfaction of IRS' needs over a suitable extended time horizon at a single geographic location.

I take great personal pride in this next project, Mr. Chairman, the Federal building in Chicago, Illinois. Before coming to Washington over a year ago I was the GSA Regional Administrator in Chicago. This lease-purchase project was awarded December 30th, 1988, and construction is scheduled to begin October 1, less than a year from now. I would be remiss, Mr. Chairman, if I did not indicate that that whole process took less than one year to complete. Occupancy will begin September 1, 1991. We've worked very closely with local business communities, the Small Business Administration, and Congress to ensure that small and disadvantaged businesses play a significant role in the construction of this project.

Mr. Chairman, there are many worthwhile projects currently being undertaken by GSA, the vast majority of which are on target and within their budget. I'd love to tell you more about them, but I know that the committee is pushed for time, and would conclude my comments by indicating that we enjoy working with this committee, and we look forward to that opportunity into the future.

Thank you, Mr. Chairman.

Mr. Bosco. Thank you, Mr. Austin. And I also want to thank you for your good work on the Chicago project. I know that that went amazingly smoothly, and everyone is very pleased about it, particularly those who got the bid for it, who hopefully will follow through and do a good job on building that project.

I wanted to talk with you a little bit about the EPA project, because that's liable to be one of our bigger concerns. As I recall, our Subcommittee asked that GSA go out to the market, so-to-speak, and solicit proposals both under a lease-back arrangement, either on private or Government land, and the possibility of building the building ourselves on land that the Government owns. Was that done, or did you just decide to take one of those routes unilaterally?

Mr. Austin. Mr. Chairman, we have not reached the point of solicitation. What happened was, with our submittal of the budget to OMB, OMB identified, in cooperation with us, approximately $210 million that could be found in the Federal Building Fund that would provide for direct construction. Having that set aside, or having that request within this budget, we then began addressing what were the specific requirements of the EPA. There is a difference between what we believe the EPA space requirements are, and what they perceive them to be into the outyears, a difference of approximately 300,000 square feet.

There's also a difference in terms of items to go into the building, if you will, Mr. Chairman. They have asked for an experimental HVAC system into the building, which is considerably above standard for build-out of a normal office building, and at considerable cost. They've also asked for raised flooring throughout the facility, at considerable cost. Their cost would raise the total construction cost on this project to about $342 million, a difference of approximately $132 million. Our figure of $210 million, however, does not contain land prices for acquisition. We believe that we can meet their needs and meet their future growth expansions through their occupancy at the Southeast Federal Center. However, pursuant to a request by Administrator Reilly we've not proceeded forward. We are going to meet with him and his staff. If Mr. Reilly can prevail upon OMB to find additional dollars, we would be prepared to look at other locations. However, Mr. Chairman, it seems to me to be a little silly if we don't have land cost figures in that funding allocation, for us to be misleading the community by going out and making the District-wide solicitation for which we cannot compete fairly.

Mr. Bosco. Will you also consider the possibility of a lease-purchase arrangement?

Mr. Austin. Mr. Chairman, the previous Administration, and at this point in time my belief is this Administration, does not support the option of lease-purchase. They perceive it as being an anti-deficiency position, and we, as an agency under this Administration, are not prepared to move forward with it at this time.

Mr. Bosco. So in other words, it will be your position that everything that we need to build to house Federal agencies be just paid for up front on Government land or private land?

Mr. Austin. I believe there's some latitude for various options there, Mr. Chairman. First off, however, I think we need to begin addressing the viability of the Federal Building Fund, and there are a number of initiatives that we're putting forward now to try to increase that viability. I want to be careful not to mislead anyone that we're trying to be either abusive or in some way punitive to the agencies that we serve. We are simply trying to make it more of a business approach, if you will.

Such things as 100 percent pass-through on the CPI, as opposed to 25 percent pass-through, as opposed to a five-year remarketing analysis on space leasing cost, reduce that to a three-year cycle, so that we stay more current. I think I need to also add a caveat, Mr. Chairman, there's a danger there, because if we do that every three years, we're going to pick up whatever the economic trend might be within the various regions of this Country. A perfect example of that, if we did an economic market analysis now on Fort Worth, we'd certainly be in trouble, because the market has gone down, and could potentially take us below our operating costs.

We're also looking internally in the agency to improve our profitability. We have some concern as to whether or not we are operating at the most efficient operation. We're trying to correct that. We're looking at seeing what steps can be taken internally to raise our income levels in other projects that we have out there where perhaps we're not reflecting true market rates. Beyond that, then, we still also have as a potential option the lease-construct, which may hold out a caveat for a building purchase or an option to purchase at the termination of a lease period. It does not put us, then, in that position of a lease-purchase, per se, as a lease with an option to purchase.

Mr. BOSCO. A lease option to purchase as opposed to a lease-purchase. I'll have to see what the distinction is there. But I think that we may be going on the right course to get this fund built up, and to start using business practices that will do that, and that way we won't have to worry about including all kinds of creative financing when we go to build a building. But I do hope that in the near future we can work together and get this matter settled and see that this fund is adequate to meet the needs that we have, because there really are a lot of space needs that I hope the new Administration will help us in addressing.

We have over 12 11(b) resolutions that are in your hands right now. Some of them are quite old. Do you intend to get some closure on those in the near future?

Mr. AUSTIN. Yes, Mr. Chairman. I know that several were delivered even this week, that I have signed off on. Some of them are over at OMB and we're waiting for them to come back. Some of them we have held up ourselves, and that's because of changing requirements or changing conditions in the leased area.

Since 1987, the total number of 11(b) resolutions requested has been 20. Ten have now been submitted to Congress, five are pending OMB approval, four are in planning, and one is under development within the regions. We are trying to move those along as quickly as we can. Without casting any aspersions, Mr. Chairman, part of the problem is the review process through OMB, and some changes have to be worked out between OMB and ourselves, and we may well be part of that problem as well.

Mr. BOSCO. Okay.

Well, we'd like to get those back as quickly as we can, because as you might imagine, some Members are clamoring for a decision to be made.

Mr. AUSTIN. Yes, sir.

Mr. BOSCO. One last question, and that is the ICTC building. I think we're all aware of the controversy that's surrounded that. Has any resolution of that been sought, either by yourself or other people in GSA between Justice and the various other parties?

Mr. AUSTIN. There's been considerable effort, Mr. Chairman, over the last four to five months to try to reach some settlement as to the principal occupant in that facility. Even as late as last week, subject to the call of the Senate committee and Ms. Vitali of your committee, a meeting was held in my office at which time we discussed several options that Mr. Dickman, the assistant to the Attorney General, was going to take back and talk with the Attorney General about. I was to receive a phone call yesterday from Mr. Dickman. That did not happen, but assuming his busy schedule, I will try to contact him today.

We believe we have a number of options that can be laid upon the table for consideration by Justice, and by USIA and by ICTC. And I think, given the cooperative effort that was demonstrated at our last meeting, we have some real opportunities, I think, at this point to move forward.

Mr. BOSCO. Good. I think that's another thing that we'd be very pleased if you all could come forward with a recommendation that all the sides agree with. If you could do that I think you'd be a Cabinet level appointee before too long.

Mr. Petri?

Mr. PETRI. I had one question. I might have more after my colleagues have had a chance to ask theirs, too.

The next year alteration budget request is more than $94 million less than the 1989 request. And I wonder if you have an explanation for that large decrease in view of past Administrators expressing concern regarding the backlog of repair projects in Federal Buildings that they said was in the amount of billions of dollars. Are we just adding to the backlog, have we figured out a way of doing things cheaper, or what?

Mr. AUSTIN. Part of the problem, Mr. Petri, is that some of our alteration money is included in the $210 million that will be going to fund the EPA project. Are we backlogged? An honest assessment of that is, yes, we probably are to a certain extent. Those tend to be non-health, -life, -safety backlogs, those projects that can be done in the outyears as more dollars become available.

But it really, Congressman, gets back to the issue of the viability of the Federal Building Fund in reality. We can only spend that which we have out of that revolving fund and that has to cover the whole myriad of the operations within the PBS area. It is incumbent upon whomever sits in that office in the next administration to work diligently to increase the viability of that fund, to such an extent that they can fence off on an annualized basis dollars to meet the R&A project needs, whether they be environs kinds of dollars, or whether they be life, safety, health, mechanical or maintenance. And that's really the crux of the issue. And how that fund gets cut up into pieces of pie will be the issue that the next administrator will have to deal with.

But, yes, we do have a backlog, but it is not a backlog that is detrimental to the operation at this time.

Mr. Bosco. Thank you.

Mr. Lewis?

Mr. LEWIS. Thank you very much, Mr. Chairman. Mr. Austin, could you review for the committee the current philosophy and ongoing efforts at GSA as relate to providing child care for Federal employees, and in particular, could you tell me what the prospects are for the establishment of a child care center in Chamblee, Georgia?

Mr. AUSTIN. Yes, sir. GSA committed, in fiscal year 1988, to open 25 child care facilities. In fact, we exceeded that number, Congressman, we opened 31.

As of today, we have opened 48 child care facilities. We have a projection of 21 additional child care facilities by the close of this fiscal year, and have began a planning process into next year. GSA's role initially started out as, if you would, as the stimulus, the advocate, the catalyst for child care, to reach out to attract interest by the various agencies in the regions and throughout the Federal Government, and then to sit down, once having got that interest and got the establishment of need, and work with them in the development of those child care facilities.

Subject to a September memo, which came from OMB, the direction changed a little, if you will. The leadership role was directed to OMB and to Labor, OMB internally for the Federal Government, Labor for the private sector. GSA did not, however, diminish its participation in this program. We still have coordinators in each regional office. We still have coordinators identified for every agency. We have gone on to produce a book, which is called a Program Guide for Development of Child Care, which we have shared with both OPM, Labor and OMB. We still have a division within the PG operation of GSA that reaches out to the customers and provides assistance and coordination. We have the commissioner tasked with the responsibility of providing coordination, and we still have the advocate under the client relations program, Mrs. Leonard, as an advocate on behalf of child care development. We have not changed, in essence, substantially our operation or our procedure. However, if by definition leadership means an individual to provide that leadership at a higher level, OPM and Labor, at this point, are currently tasked with that.

I have talked with OMB subsequent to my testimony before the Government Operations Subcommittee, and have been advised that there will be coming forthwith a comprehensive child care development program for the Federal Government within a very short period of time, and that GSA was to continue on in its current role until such time as we receive further direction.

In relationship to Chamblee, Georgia. Chamblee, Georgia, unfortunately, is a series of circumstances. We initially did a survey there to try to establish, one, the need, and did find a need there for child care. It was our hopeful expectation that we could find onsite space for the development of a child care center. Pursuant to discussions with the Director there, that was not possible.

Mr. Lewis. The Director of?

Mr. Austin. IRS Center.

Subsequent to that, then, we did a survey of the immediate area around Chamblee, to see if we could identify lease space that might be available. The one opportunity was a quonset hut-kind of structure in the near vicinity which would have taken an incredible amount of money, had potential asbestos considerations, and we figured that the exposure there was just far too great for us to move forward in that area.

IRS then came back, through their union, and requested the construction of an independent facility adjacent to Chamblee. Either a construction of a fixed structure, or a modular structure. About that time, the then Acting Administrator of GSA had developed a policy statement which precluded the development of independent structures, whether it be modular or fixed, and was concentrating on resident structures in facilities currently occupied and/or leased options outside that area. Efforts were then revisited with the IRS, and again there was yet another search of the area for leased space. No space was identified within the IRS center and no additional space was identified for leasing capabilities. However, since becoming Acting Administrator, I have amended that policy to indicate that we will allow, under rare situations or circumstances, the ability to develop modular construction. We now have estimated costs on that, and are in the process of sharing those costs with the IRS Center in Chamblee. We have committed to try to get that project underway as quickly as possible.

However, there is also, Congressman, a consolidation effort taking place in Chamblee for the IRS Center. And in that consolidation we have 5,000 to 6,000 square feet identified for onsite child care in the new facility, should that come to pass.

Mr. LEWIS. Thank you, Mr. Austin.

Mr. AUSTIN. Yes, sir.

Mr. LEWIS. Thank you, Mr. Chairman.

Mr. BOSCO. Thank you, Mr. Lewis.

Mr. Cox?

Mr. COX. It's good to see you again, Mr. Austin. I know that you're working hard, because you're testifying before every one of my committees.

I'd like to follow up on Congressman Lewis' questions a little bit on child care, and ask where is the money for the child care construction? Is it in the Capital Budget request of $840 million, and if so, is it in the $244 million request for new construction, is it in repairs and alterations which is $438 million, is it in design and construction activity, or all the above? I understand there's not a separate line item for it, and I wonder from whence it comes?

Mr. AUSTIN. I think you probably adequately described it, Congressman. It's an all of the above. Dependent upon what it might be, whether it be design, or whether it be construction. If we can get it out of the R&A account, we do. Some of the money also comes from the principal agency involved in the operation of child care facilities, such as an IRS, or an SSA, or an EPA, whatever the principal agency might be. We will only build to the standard level.

And as I related earlier, Congressman, we have changed our definition of standard level. We entered this somewhat naively and certainly inexperienced, and we used the basic definition of office standard level build-out for our prescriptive needs, only to find out that there was also need for a kitchen area, there was also a need for a laundry room area. And there was also a need for specialized toilet facilities. We have amended our standard level build-out prescription design now, and are building to that. But anything above that standard level has to be paid for either by that agency, or by the parents' groups, or by the provider of the day care service under the contractual relationships with the parent group. But basically, it's from wherever we can come up with the dollars, and under what category those dollars come from.

Mr. COX. Am I right in inferring that all of the money is somewhere in the $840 million range?

Mr. AUSTIN. Yes, sir.

Mr. COX. All right.

Would GSA be amenable to providing a supplement to the budget request that estimates the amounts that will be spent pursuant to the comprehensive child care development program that is going to be forthcoming from OMB?

Mr. AUSTIN. We would, Congressman, once we know what that program is. I'm not cognizant of what that program is.

Mr. COX. With whom did you speak at OMB?

Mr. AUSTIN. Mr. Hodsoll.

Mr. COX. All right.

Anticipating a response from OMB, and presumably also OPM and Labor, those things that GSA already has in mind, might they be amalgamated into a line item?

Mr. AUSTIN. We could give you an estimate, Congressman, but that would be strictly an estimate dependent upon each project and how the parent group decides to build it out, how the agency might request that it be built out. We could give you an estimate on the cost of each of the projects, but I would caution that those are estimates.

Mr. COX. By the way, that's all I've ever expected a budget is, a forward looking projection. So, for my purposes, at least, that would be entirely satisfactory.

Mr. AUSTIN. Okay, sir.

We can also provide you with what actual costs have been for the projects that we have completed. And maybe that will give you a feel for the difference in cost. Some projects we can bring in for $20,000, $30,000, depending upon the size of the area and the suitability of the area. Some are in the hundreds of thousands of dollars, depending on whether we have asbestos abatement, whether we have to move an agency out to acquire the space. So there are various costs that figure in, and that makes it very difficult to make the estimate. But we'll be happy to try to do that for you, sir.

Mr. COX. I think that that would be most helpful to our subcommittee in understanding your $840 million request. Certainly, it would be helpful to Congressman Lewis and to me to understand what GSA is doing in the child care area.

Mr. AUSTIN. I'd be happy to do that, Congressman. Thank you.

Mr. BOSCO. Thank you.

[The following was received from Mr. Austin:]

QUESTION FOR THE RECORD FROM CONGRESSMAN COX

QUESTION: What was the cost of establishing child care centers in fiscal year 1988? What is the estimated cost in fiscal year 1989 and fiscal year 1990?

ANSWER: We established 26 child care centers during fiscal year 1988. With regards to the cost of establishing child care centers, the General Services Administration (GSA) is responsible for the provision of space and the necessary renovations to make the space usable as a child care center. The space renovations include such items as plumbing, utility hookups, child-sized toilets and sinks, built-in cabinets and shelving, appropriate floor and window covering, and necessary fire and safety features. The sponsoring agency is responsible for purchasing the furniture, appliances and other equipment for the center. We do not maintain records on the cost of the items purchased by the sponsoring agency(ies).

The total amount of space for the centers established in fiscal year 1988 was approximately 106,000 square feet at a total cost of approximately $4.6 million ($43 national average cost per square foot). Included in this figure is the cost for acquiring a leasehold interest in 2 real properties to establish child care centers. The lease contract costs include the necessary space renovations.

Thus far during fiscal year 1989, we have opened 10 additional child care centers at a total cost of approximately $2.1 million. We expect to open an additinal 23 centers (2 new centers were recently added to our list) by September 30, 1989. We are still in the process of determining the exact costs associated with the establishment of these centers. However, the current estimated renovations costs are approximately $3 million. Thus, the total projected fiscal year 1989 cost for renovating 33 additional child care centers (97,075 square feet of space) is approximately $5.1 million or a national average of $52 per square foot. Many factors influence these costs. The proximity of plumbing and other utilities to the proposed center location, the abatement of asbestos (where necessary) and the inclusion of other safety features are often significant factors in determining these construction costs.

Since we have not made a final determination on all the center locations projected for opening during fiscal year 1990 and beyond, the estimated costs are not yet available.

Mr. Bosco. Mr. Duncan.

Mr. **Duncan**. Mr. Austin, yesterday officials from the Library of Congress said that they could lease a warehouse facility for over $600,000 cheaper than if they went through your administration. And I just wondered, why is that? They asked this subcommittee for permission to do this on their own, rather than to go through the GSA.

Mr. **Austin**. Mr. Duncan, I can't tell you that. I don't know how they can do that cheaper. When we go out for a lease on their behalf, we would lease it according to the specs on the open market, similar to what they would do. We do, however, lease under CICA, which is competitive, and therefore, we would be subject to whatever the current competitive market prices are.

Mr. **Duncan**. They were talking about leasing a 100,000 square foot warehouse facility. And they said, in testimony that was presented here yesterday, that they could lease such a facility in this area for about a million dollars and that it would—if I remember the figures correctly, that they would save about $622,000 if they didn't go through the GSA. And I know $600,000 is just, you know, a drop in the bucket, or maybe nobody pays any attention to that up here, but if one agency is in that situation, then maybe there are other agencies in that situation. And I didn't understand how that could be.

Mr. **Austin**. Well, again, Congressman, I'm not familiar with the specifics. I will be happy to review what it is that they might be looking at.

One difference that could be there, and again, we lease according to what the market rates are, based upon the surveys that are done, every five years. And in fact, it's to the benefit of the agency that we only do them every five years, to the leasing agency, because obviously we don't stay as current to the market prices as perhaps we might if we did it every three years, which we are suggesting.

How they can do it, I don't know. I don't know if they have a specific place that they're looking at. I don't know if they're looking in the suburbs. I don't know if they're looking in D.C., if they want to stay in the Metro area of D.C. It's considerably more expensive to lease space in the District as opposed to Maryland or Northern Virginia.

Mr. **Duncan**. Well, but your administration could go out in the suburbs also.

Mr. **Austin**. That's right.

Mr. **Duncan**. I just wondered how we could do it.

I would appreciate it if you would, you know, just to satisfy my own curiosity. I'm new to this committee, and there's a lot of this that I don't understand, but I would appreciate it if you would check into that and let me know what the answer to that would be, because, as I say, if the Library of Congress could do it cheaper than it would appear that other agencies could lease properties more cheaply also. And I just wonder, you know, what causes that.

Mr. **Austin**. I'd be happy to look into it, Congressman.

Let me also say that if the Library of Congress is interested, I have a 300,000 square foot building sitting down at the Southeast Federal Center that I'll be happy to lease to them at what might be called bargain basement prices, and they won't have to worry about it from now on.

Mr. DUNCAN. That would be a good thing if some of the agencies could work together like that, because, you know, with the deficits where they are we all need to hold down costs as much as possible, it seems to me.

Mr. AUSTIN. Congressman, we're working to that end, and we're on both sides of that issue, sir.

Mr. DUNCAN. Thank you.

[The following was received from Mr. Austin:]

QUESTION FOR THE RCORD FROM CONGRESSMAN DUNCAN

QUESTION: The Library of Congress (LOC) stated that they can lease additional space more cheaply than GSA. LOC requested their own leasing authority for a 100,000 square foot warehouse faciliy in the Washington, DC area. They claim they can do this on their own $600,000 cheaper than having GSA do it. Please provide an explanation for the Subcommittee.

ANSWER: The LOC comment that it can lease space more cheaply than GSA cannot be substantiated by GSA. A delegation of authority would require LOC to follow all of the laws and regulations that GSA does. Since leasing is a major GSA program, the GSA regional staff has the information and recognition in the market place to negotiate the best competitive price for the Government.

LOC currently occupies space at two locations leased by GSA where the leases are firm until early 1996. In each instance the rent charged LOC by GSA (previously called SLUC) exceeds the lease contract rate. The rate charged tenant agencies is not based on the lease contract rate. Instead, the Federal Buildings Fund statute mandates charges to tenant agencies based on commercial equivalency. The basis for these commercial equivalent rates was last established in fiscal year 1987 based on market comparables performed by independent professional appraisers. GSA's rates are reappraised every five years. Operating cost and partial CPI adjustments are made annually.

Commercial equivalency may be more or less than the existing lease contract rent. In the case of LOC, these differences are the result of the term of the lease vs. the GSA appraisal cycle, GSA's ability to negotiate a particularly favorable rate, and the services included in the lease. The lease contract rent often does not include the cost of various services provided to the tenant agency by GSA over and above the lessor provided services. In one LOC location (1291 Taylor Street, Washington, DC) GSA provides utilities which are reflected in the rent charged to LOC by GSA, but are not reflected in the lease contract rent which GSA pays.

Mr. Bosco. Thank you, Mr. Duncan.

Let me pursue that. The building that you have at the Southeast Federal Center, is that something that would be demolished upon building the new facility, or is it going to be there for awhile?

Mr. Austin. We are, Mr. Chairman, developing a strategy for the development of Southeast Federal Center, as I'd indicated earlier. GSA will be coming to this committee to seek your concurrence on a proposal that we will have for that development. However, contained in the structures that are already in place there, is about a 300,000 square foot building which we had not identified for any particular agency to move into. Although, we would be looking to identify agencies to do that. It's part of the old Armament Munitions area. We'd be happy to fix it up to whatever level they would like and we'd be most happy to lease it to them, if they were interested. I would suggest that they come and talk with us, we'd be more than happy to talk to them about that. But, no, it would not be demolished under the proposed development plan down there.

Mr. Bosco. Well, that sounds like a good accommodation. The Librarian of Congress mentioned, as just overhead, the difference between the $1 million that they thought they would have to spend and the $1.6 million that they would have to spend through GSA. And I wouldn't assume your overhead is that high, is it?

Mr. Austin. No, sir. Again, the real discrepancy becomes the current market rates for comparable space in the industry, which is what we would lease it for.

Mr. Bosco. One last question. There's going to be a proposal to establish 73 new judgeships. Do you know what the cost of that would be in terms of the space that would be required, and do we have that money available in the building fund?

Mr. Austin. At this point, Mr. Chairman, it would be difficult for me to give you a total estimated cost. However, it is very easy for me to tell you, that no, we do not have it in the Public Building Fund.

If I may, Mr. Chairman, I know that Mr. Mecham is going to be testifying subsequent to me. Let me say that we have attempted, and I believe, do work very well together on the central office levels between his office and mine. We perhaps have not worked as well on the regional level or in the field. There are significant difficulties there. In fact, I mentioned to Director Mecham just a few minutes ago that once we get down the road here a little bit, we need to sit down and talk.

However, with leave, Mr. Chairman, I do know, and having read his statement, there are couple of things that I'd like to address in his statement, if that would be appropriate.

Mr. Bosco. Certainly.

[The following was received from Mr. Austin:]

QUESTION FOR THE RECORD FROM CONGRESSMAN BOSCO

QUESTION: What will be the cost of the R&A work for the 73 new judgeships referenced in Mr. Mecham's testimony?

ANSWER: We are providing facilities for the proposed new judgeships in a variety of ways. For example, in Camden, New Jersey, we are constructing an 82,000 square foot annex to the U.S. Post Office and Courthouse, costing $18,728,000, to provide facilities for a "Class of '90" District judge, replacement space for two district judges who will be eligible for senior status within two years and to satisfy other court requirements. As another example, in Columbus, Ohio, we are renovating the Federal Building/U.S. Courthouse to provide a new courtroom and chambers on the first floor to house a planned Omnibus District Judge and chambers for a judge replacing a judge taking senior status. In order to clear the first floor for this construction, the Bankruptcy Court will be relocated to the second floor, and additional space for the Bankruptcy clerk and meeting rooms will be constructed. Three new hearing rooms and chambers for the magistrates will be constructed on the fifth floor, necessitating the relocation of the Small Business Administration to leased space. In Los Angeles, the six "Class of '90" judgeships will be housed in the 560,000 square foot Federal Building/Courthouse now being constructed at a cost of $137,198,000. The new Los Angeles facility was authorized in fiscal year 1986 in order to accommodate court expansion and non-court agencies. The facility is designed to accomodate ten finished courtrooms, but structurally the building is being constructed to accommodate another ten courtrooms and attendant space in the future.

Because of the multi-purpose nature of the projects cited above and many others like them, as well the fact that the Courts only notified GSA of a number of the locations on March 15, 1989, GSA cannot determine the precise total cost to provide facilities for the 73 proposed judgeships referred to in Mr. Mecham's testimony.

Projects (including district court facilities) have already been authorized by the Congress for sixteen of the judgeships mentioned; projects are awaiting Congressional approval (as part of GSA's FY 1990 design program) for 13 other proposed judgeships. Because of the complexity of many of these projects, we are unable to break out only the Omnibus Judgeship costs. There are 13 other proposed judgeships which may require prospectus level projects, some of which GSA learned of on March 15, 1989. We are asking our regional offices to complete prospectuses (where necessary) including cost estimates for these projects within the next two months. Projects for another 13 locations have been estimated by the Administrative Office of the Courts as being under prospectus level. Finally, two proposed locations for district judges are still unknown. In addition, facilities are also needed for 14 proposed circuit judges whose locations are still to be determined. We are unable to provide costs until the Administrative Office of the Courts advises us of where these judges will be housed.

As a general rule, the cost of chambers, a courtroom and adjunct facilities for a district judge in a new building would be approximately $1,000,000 and in an existing building would be slightly less expensive. The cost of chambers for a resident circuit judge in a new building would be approximately $500,000 and slightly less expensive in an existing building. Costs for a nonresident circuit judge would be approximately $250,000. Circuit judges do not require courtrooms. These estimated construction costs are in fiscal year 1989 dollars.

Mr. **Austin**. Within the statement Mr. Mecham indicates——

Mr. Bosco. We'll give Mr. Mecham a chance for rebuttal. He's on next. It's a little extraordinary procedure for you to be commenting on his statement before he makes it, but go right ahead.

Mr. **Austin**. Well, in the 1990 GSA program we currently have addressed 13 of the initial needs that the Omnibus Location Act requires for the Judiciary. We have two locations which are unknown. We have 16 of them, however, that were previously approved by prospectus, bringing then the total number to be 29. We have no prospectus needs on 15 of his original 59 requirement. And we have 13 which have new prospectus needs, and we're in the process of developing those, including Brooklyn, Philadelphia, Cincinnati, Des Moines, St. Louis, Honolulu, Portland and Albuquerque. I think that Mr. Mecham indicates that GSA has only addressed 13 of the needs, and in fact we've addressed quite a few more.

In reference to Boston, San Juan and Pasadena, there's no final decisions made yet on those projects. However, Boston is one of them that I do want to sit down and talk with the Director about. San Juan, I received a letter from the Director just yesterday indicating that as a result of his survey, they were holding a position substantively different than that my staff had indicated in terms of the repair costs of the existing facility there. And I'm going to go back to my staff, have them reverify their figures, and then sit down with the Director on that. We would, however, if directed by the committee, go to San Juan and look at that problem for you, Mr. Chairman, if you would care to direct me to do that.

Mr. Bosco. Well, didn't you mention one in Honolulu and St. Croix and other places, as well?

Mr. **Austin**. Moving on, Mr. Chairman, we do want to work with the Courts. It is a very difficult position that we are in. We have limited dollars. We have what we think, however, is the expertise and the capability of administering those dollars, and providing for that space. We appreciate the difficult role that Mr. Mecham has in trying to act as the advocate for the Judiciary, and to interface with GSA, and we would hope that he would be as appreciative of GSA's difficulties as well. We do look forward to working with him.

Mr. Bosco. Mr. Petri?

Mr. **Petri**. Just two brief follow-up questions, not on the relationship with the Courts, but on other parts of your submission.

Our staff noted that $32,100,000 had been requested to bring back into the Federal Building Fund budgets for buildings which were originally delegated to agencies under pilot agreements. Was this program not a success, and are any other buildings still delegated to agencies?

Mr. **Austin**. Congressman, we have a considerable number of buildings delegated to agencies, almost 20 million square feet, as I recall off the top of my head. I'd have to ask if I may, Congressman, to be brought up-to-date on the exact number.

However, in response to your question, prior to embarking on the ambitious delegation program of several years ago there was a number of pilots, Congressman, that were run. They were date specific. They expired. The funding for their operations was contained within the individual agency's budget. We're now pulling that out, putting it in GSA's budget and we will pass their funding requirements back. They will probably, in all probability, be redelegated back under the new program that we have which is indefinite date for administration of their own facilities.

[The following was received from Mr. Austin:]

QUESTION FOR THE RECORD FROM CONGRESSMAN PETRI

QUESTION: Please explain the requested increase of $32 million for restoration of Delegated workload in the FY 1990 Budget.

ANSWER: In 1985, the Office of Management and Budget (OMB) determined that General Services Administration (GSA) should budget directly for the full cost of operation, repair and rental of facilities where these functions are delegated to the tenant agencies. Under "pilot" agreements, prior to 1985, delegated functions were not included under GSA's budget requests. Instead, delegatee agencies were allowed a Rent credit (chargeback) from GSA. This credit was then used by the delegatee to fund the functions delegated by GSA. These "pilot" delegation agreements are generally for a five-year term. When they expire, new agreements are being negotiated consistent with the funding policies established in 1985.

The FY 1990 estimate incorporates $32 million for the following "pilot" delegations that are not included in the FY 1989 base:

	$ In Millions
AGRICULTURE Headquarters Complex	$12.9
CENTRAL INTELLIGENCE AGENCY Headquarters Complex	13.5
FEDERAL ENERGY REGULATORY COMMISSION	0.7
HOUSING AND URBAN DEVELOPMENT Headquarters	4.9
Total	$32.0

The tenant agency will remain responsible for the day-to-day operation and maintenance of the above facilities. GSA will budget for these costs and transfer funds to the delegatee.

Mr. Petri. In your statement you expressed concern regarding increases in the cost of leased space for the coming year. Can you give us any sense as to how much the leasing budget has grown in the past few years, and what you anticipate so far as its growth is concerned in future years beyond 1990?

Mr. Austin. Yes, sir.

Part of our problem, Congressman, in this area is that a number of our older leases which are 20 years old and are expiring were written at very advantageous rates, six, seven, eight, nine dollars a square foot fully serviced. The current market here is on the rise of $30 and will project out into the $50 and up per square foot cost. Our cost in fiscal year 1988 was $1,108,959,000; fiscal year 1989 it's $1,177,532,000; projected fiscal year 1990, $1,351,500,000.

You're seeing agency expansion acquired from 1989 to 1990 of $117 million. We have also released some space, for which we were able to save about $37.78 million. When combined this would give you a total increase 1989/1990 in actual dollars of $94.59 million.

Mr. Bosco. Thank you very much, Mr. Austin. We appreciate your testimony today, and we'll be looking forward to hopefully working with you as we proceed on these matters.

Mr. Austin. Thank you, Mr. Chairman, thank you members of the committee.

Mr. Bosco. I also might say you have a very good staff working with you. They're very helpful to us.

Mr. Austin. Thank you, sir.

Mr. Bosco. Mr. Austin, to conclude could you please supply the subcommittee with a list of outstanding projects which warrant consolidation of offices through construction or perhaps lease-purchase?

[The following was received from Mr. Austin:]

Attachment I

June 8, 1989

GSA needs more Federally owned space throughout the country in order to house its client agencies in the most economical manner. Rental of space, building operations, and alteration projects place huge demands on the Federal Buildings Fund and limit the amount available for new construction. Thus, an obstacle in achieving more Federal space is the lack of an adequate means of financing the acquisitions.

Below is a list of our most significant known requirements. Many of these requirements are to replace continuing needs and some of these do include expansion needs. Following this list is one for currently authorized lease purchase projects. Third is a list of projects most likely to be authorized by Congress as lease purchase acquisitions in the Fiscal Year 1990 Appropriation Act.

SIGNIFICANT KNOWN REQUIREMENTS

Requirement	Site	Occupiable Sq. Ft.	Est. Total Cost (Millions)
GSA-HQ, SE Fed Center Washington, DC	Owned	650,000	$162
Justice Washington, DC		800,000- 1,000,000	$271- $339
Navy Northern Virginia		2,522,000- 3,000,000	$555- $660
IRS National Capital Region		932,000	$177
Courthouse Boston MA		400,000	$179
DOT Washington, DC		2,000,000	$497
EPA, SE Fed Center** Washington, DC	Owned	1,117,000- 1,400,000	$226- $337
Courthouse* Alexandria, VA	–	150,000	$62
FB Courthouse* Kansas City, KS		164,000	$40
FB Courthouse Annex Minneapolis, MN	Owned	100,000	$29

Requirement	Site	Occupiable Sq. Ft.	Est. Total Cost
US Courthouse - FB Portland, OR		275,000	$71
US Courthouse White Plains, NY		80,000	$38
FBI, Wash Field Office Washington, DC		252,000	$83
VA Replacement Philadelphia, PA		325,000	$60
FBCT Annex Charlotte Amalie, VI		15,000	$8
US Courthouse Reno, NV		196,000	$49
FB Annex Hato Rey, PR	Owned	212,000	$66
FBCT Annex Sacramento, CA	Owned	21,000	$7
IRS Service Center Chamblee, GA	Owned	541,000	$75
NOAA Boulder, CO	Owned	243,000	$33
FOB (Lab) Lakewood, CO	Owned	350,000	$65
Corps of Engineers Waltham, MA	Owned	301,000	$71
FSS Warehouse Ft. Worth, TX	Owned	1,100,000	$112
IRS Service Center Fresno, CA		1,400,000	$354
IRS Service Center Detroit, MI		446,000	$113
Census Suitland, MD	Owned	300,000	$54
HCFA Woodlawn, MD		664,000	$103

Requirement	Site	Occupiable Sq. Ft.	Est. Total Cost
SSA Woodlawn, MD	Owned	808,000	$107
Pentagon Annex Arlington, VA	Owned	1,800,000	$318
Border Station Calexico, CA		100 Acres	$42
Border Station Otay, CA		16 Acres	$15
FBCT Shreveport, LA		114,000	$21
PG Cty CT & Parking PG County, MD		114,000	$31
Parking Facility Newark, NJ		384,000	$17
Totals		18,776,000- 19,737,000	$4,111- $4,395

* Site acquisition and design planned for 1990 and direct construction in 1992, if the funds are available.

**Proposed for Design and Construction in FY 1990. Also, EPA has recently expressed a need for 1.7 million square feet.

CURRENTLY AUTHORIZED LEASE PURCHASE PROJECTS

Project	Occupiable Square Feet
Awarded:	
Federal Building Oakland, CA	800,000
Federal Building Chicago, IL	600,000
Authorized but not Awarded:	
Federal Building San Francisco, CA	430,000
Foley Square FBCT New York, NY	1,600,000 gross
ICTC Washington, DC	1,400,000
IRS Service Center Memphis, TN	600,000 gross
CDC (Transfer Project) Atlanta, GA	100,000
CDC (Transfer Project) Chamblee, GA	40,000
CDC Lab (Transfer Project) Chamblee, GA	45,000

PROJECTS MOST LIKELY TO AUTHORIZED BY CONGRESS AS LEASE-PURCHASE IN FY 90 APPROPRIATION ACT

Project	Occupiable Square Feet
Justice (DC)	800,000- 1,000,000
Navy (NVA)	2,522,000- 3,000,000
IRS (NCR)	932,000
Courthouse Boston, MA	400,000
FBCT Annex Minneapolis	100,000
Courthouse Portland, OR	275,000
DOT (DC)	2,000,000
EPA (SEFC)	1,117,000- 1,700,000

[Mr. Austin's prepared statement follows:]

STATEMENT OF RICHARD G. AUSTIN, ACTING ADMINISTRATOR, GENERAL SERVICES ADMINISTRATION

Mr. Chairman, Members of the Subcommittee, it is a pleasure for me to appear before you today to discuss the Fiscal year 1990 budget for the General Services Administration's Public Buildings Service.

The budget that we have submitted reflects the continuation of many of the initiatives that the Congress has previously endorsed. Major among these are providing a safe and healthy work environment for Federal employees; providing quality workspace at reduced utilization rates; modernization of our inventory to protect these valuable assets and meet our tenants' technological needs; consolidation of major agencies' functions where the consolidation is cost effective to the government and results in management improvements and efficiencies; meeting the critical space requirements of the U.S. Courts; and continuing the Southwest Border Capital Improvement initiative.

We look forward to working with the subcommittee and its staff in making continued progress on these initiatives to improve Federal real property management.

I would now like to summarize our fiscal year 1990 budget request.

We are requesting $3.4 billion in new obligational authority for the Federal Buildings Fund.

Our capital budget request is for $839.8 million, a 7 percent increase above approved Fiscal Year 1989 levels. This includes $244.5 million for new construction, primarily devoted to consolidating the headquarters of the Environmental Protection Agency in a new facility in the District of Columbia. We are also requesting funds for site acquisition and construction for a border station at Skagway, Alaska and construction funds for a border station at International Falls, Minnesota. In support of the Judiciary we are requesting construction funds for the Federal Building/Courthouse at St. Croix, Virgin Islands and site acquisition funds for a Courthouse at Alexandria, Virginia and for a Federal Building/Courthouse at Kansas City, Kansas. These projects were developed in accordance with requirements identified by the Administrative Office of the Courts and the border inspection agencies.

The largest portion of our Fiscal Year 1990 capital budget is devoted to the Repairs and Alterations activity, a request of $438.2 million. As in Fiscal Year 1989 our budget emphasizes health and safety improvements and basic repairs. $113.7 million (26 percent of the total) is for Health and Safety related projects. $255.2 million (58 percent of the total) is for basic repairs and modernization of our aging inventory. Included in this amount is $25.0 million to fund 10 line item Southwest border station projects.

Additionally, we are requesting $157.1 million in funds for the Design and Construction Services activity. This includes $17.3 million in support of our New Construction program and $62.2 million in support of the Repairs and Alterations program. $28.3 million is for the design of 45 prospectus level projects that will be constructed in future years including $4.7 million for 11 projects that will provide additional facilities for the Judiciary, including space for judges to be appointed under planned omnibus legislation.

The Fiscal Year 1990 Rental of Space request of $1,351.5 million provides for projected increases in commercial rental rates and the continued growth of the leased inventory. In Fiscal Year 1990 we will experience major increases in the cost of GSA's leased inventory. Large, long-term leases in the National Capital Region, such as the Parklawn and Nassif buildings, will expire and must be replaced. In addition client agency demands for expansion space remain significant. The three largest clients are Defense, Justice, and Treasury. This expansion will be partially offset by lease concellations due to agency consolidations, more efficient space utilization and moves to government-owned buildings.

Our request for the Real Property Operations activity, $968.3 million, includes funding increases for operation, maintenance and protection of new space entering the inventory, including $32.1 million to establish allocation accounts under the Federal Buildings Fund budget for buildings which were orginally delegated to agencies under "pilot" agreements. In addition, we are requesting $1.5 million to support 50 additional Federal Protective Officers, in accordance wth language included in our Fiscal Year 1989 Appropriations Act.

The Program Direction request of $70.5 million includes a one-time request of $5.0 million to perform market surveys of our buildings. These surveys will be used to establish commercially equivalent rental rates that will be utilized in the Fiscal

Year 1992 budget. Our request also includes $10.5 million for the replacement of the PBS Automated Information System.

I feel that this is a sound budget that effectively uses the resources available in the Federal Buildings Fund to continue progress on our major initiatives.

Mr. Chairman, this concludes my statement on our Fiscal Year 1990 request. I will be pleased to answer any questions from the Subcommittee.

Mr. Bosco. Next we'll hear from Ralph L. Mecham, Director of the Administrative Office of the U.S. Courts.

Mr. Mecham, I'd like to welcome you to the committee, and feel free to give whatever part of your testimony you'd like, and we'll enter the entire testimony in the record.

TESTIMONY OF RALPH L. MECHAM, DIRECTOR, ADMINISTRATIVE OFFICE OF THE U.S. COURTS, ACCOMPANIED BY RAY KARAM, ASSISTANT DIRECTOR

Mr. **Mecham**. Thank you very much. It's a real privilege for us to be here. Ray Karam, Assistant Director, is also here. I am pleased to have him with me.

Mr. Bosco. It's good to have you here, Mr. Karam.

Mr. **Karam**. Thank you.

Mr. **Mecham**. I would just like to briefly summarize my statement. May I preface it by saying that this committee has been extraordinarily helpful to us. There are times when we feel a little like the forgotten branch of Government. Particularly in the last couple of years this committee has gone out of its way to be concerned about the needs of the Judiciary and we're grateful that you're continuing that tradition. In fact, this is only the second year that we've been notified in advance of the Capital Budget of GSA, for us to have an opportunity to work with you, and participate with GSA. So, we're grateful for that, and to GSA as well.

Just a couple of things that I might just mention right from the start, so you're aware of the backdrop that my comments will be framed. In 1984 there were 85 judgeships authorized by Congress, so-called Article III judges. they are Federal District and Federal Circuit judges. It's now 1989 and 18 of those Article III judges are yet to be put in permanent facilities, or 21 percent. The long time frame from appointment of a judge to final occupancy of permanent facilities underlines the great need for planning in advance, and for design ahead of time. We appreciate the improvement that has taken place in our relationship with GSA, and that they are beginning to work with us on some of these things. As Mr. Austin indicated, there are 13 proposed new Article III judges that would be included in the new fiscal year 1990 Capital Budget. This is almost unprecedented, at least to my knowledge, and we appreciate it.

In 1986 there were 52 bankruptcy judges approved by Congress. There are still 30 yet to be put in permanent facilities, or 57 percent. In 1988 there were seven bankruptcy judges approved by Congress. We think that when those judges come aboard, which will be about October 1st, there should be permanent facilities for two of them, and then there will be about five for which GSA and our people have worked together to provide temporary facilities. So while we do have a problem, efforts are being made to correct it, but they're by no means perfect as yet.

As for the judges to be proposed in legislation this session of Congress, the Judicial Conference has requested 73, and we're primarily concerned with the 59 which are District judges. Mr. Austin already has given you a brief summary of those, and I didn't have anything to quarrel with him about in his analysis of the planning and the posture for them. We're grateful that there is some consideration being given ahead of time to the facilities for these judges. As I say, we've worked closely with the GSA, particularly during the last couple of years. We're grateful to have the Capital program ahead of time.

I might mention that there are a few difficulties, and Mr. Austin noted one of them. We are in disagreement, and when I say we, I'm referring to the judges and the City of Boston, on the plans for the Boston, Massachusetts Court facility. The Courts in the First Circuit and in the District of Massachusetts are quite concerned about GSA's plan to renovate the McCormack Building, rather than construct a new facility. Briefly stated, the renovation plan proposed by GSA will not suit the needs of the courts located in Boston. A number of studies have concluded that a public/private partnership, as is being done at the Foley Square New York project should be considered. The construction of a court facility in Boston would not only be cost effective, but we'd get a building. I'm sure the chances of obtaining up front appropriations would not provide such a building any time soon.

Likewise in Oklahoma City there are a number of things, as my statement notes, where we need to work out facilities for magistrates, and also for the Chief Judge of the Tenth Circuit. We'd like to be able to relocate Judge Holloway there in keeping with his wishes. He was in town here yesterday, and I talked to him about this. He asked me to emphasize his needs.

We're worried that the construction costs at San Diego may be a little high. We don't profess to be experts, but we are concerned about that. We do support the Sacramento prospectus.

Concerning Pasadena, California, Chief Judge Goodwin, of the Ninth Circuit, has just written and he also was here this past week for the Judicial Conference. He feels that to take care of his two circuit judge vacancies and the six additional circuit judges that will take senior status, reconsideration should be given to authorizing the design phase of this project in fiscal year 1990 instead of 1991.

Reference also has been made to San Juan, Puerto Rico. The Judiciary strongly believes the old building in San Juan ought to be retained. Presently GSA has marked it for taking care of the homeless under the provisions of the McKinney Act. We'd hope GSA also will be concerned, as we hope you will be, about homeless judges. We want to keep that old historic building to renovate it. We think based on our estimates, it can be done for $12 million, which would be a good investment. We do recognize that GSA has planned a new building next to the Hato Rey facility, but our judges would prefer to keep the building which is presently in San Juan.

Let me just indicate that we have a genuine crisis in Brooklyn. This appears on page 12 of my statement.

Mr. Bosco. Is this just the courts or in general?

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Mr. Bosco. Is this just the courts or in general?

Mr. MECHAM. I would not wish to make any editorial comments about Brooklyn generally. It may not be any worse than Washington though these days.

The court is really in serious difficulty. There have been delays which have gone on for years in providing them a facility. IRS, after supposedly agreeing to move, then dragged their feet. The result is we have inadequate facilities for the present judges. We'll have virtually no facilities for the new ones, and it has meant that the court virtually have had to cancel consideration of civil cases in the Eastern District of New York at Brooklyn because of lack of facilities. We tried to bring in visiting judges, but there's no place for them to hold court, and so the civil cases are getting farther and farther behind. I would just like to say how serious we view that—we consider it a judicial emergency.

Just a quick comment in closing about our relationships generally with the Executive Branch. We feel that the Judiciary ought to be in the same position that Congress is as far as new buildings are concerned. We don't like the idea of having the President, and the GSA, and OMB decide what our priorities are for buildings. We think we're quite capable of determining priorities and working with your committee in presenting our proposals. We would like to be able to have greater control over our destiny as far as buildings go, be able to give greater priority to our needs, and to be able to avoid what we regard as systemic problems that just, no matter how well we get along, don't seem to work out. GSA generally wishes to cooperate with us, but then has blocks thrown up for them by OMB, and they're not able to take care of our needs in a way, and in a timing pattern that we would like.

So we would like to have our facilities for the Judiciary provided in the same manner as Judiciary funding, the same way the jurisdiction of the courts is established, the same way the creation of new judges is determined, that is between the Congress and the Judiciary. We would like to see that happen. We worked out laboriously a memorandum of understanding with Mr. Austin's predecessor, Mr. Golden. But for reasons that, I guess, are understandable, they've already been abrogated as far as funding goes. So it appears that we really can't get what we need, when we need it, the way we need it under the present relationships that prevail, with the Executive Branch having an inordinate role in determining what judicial priorities are.

Mr. Chairman, I think I ought to conclude there, and open myself up to any questions you may have.

Mr. BOSCO. Thank you very much.

I think part of the problem that this subcommittee has had not only with your organization, but others, is that over the years everyone's gone about their business without going through any real procedure. And I am going to insist that all agencies come through this subcommittee and the Public Works Committee for authorization, before going to appropriations. I think that will help us to help you as well. Because it may be that we can take a little more time to deal with your short- and long-term needs.

I know, for instance, Mr. Whitten sent us a request that you recently made for language changes relative to some $22.2 million in the Court of Appeals salaries and expenses and building alterations projects. Now, that's something that we would insist come here for authorization before you attempt to get the Appropriations Committee to act on it, because I would object to that, either before or on the Floor.

Mr. MECHAM. Could I just comment briefly on that, and maybe Mr. Karam could elaborate.

I believe the funds you're talking about are for tenant alteration funds which we have to put up to match GSA participation in projects already approved by this committee under prospectus. Is that right, Mr. Karam? I believe that's the case?

Mr. KARAM. I believe that's what you're talking about. We use that type of money to pay for what we call "judicial" standards, GSA finishes out to the standards common to say, an office building or whatever, and we pay the difference.

For example, in the courtroom, we have to pay or reimburse GSA for the judge's bench and the jury box, which are considered to be personal property rather than real property. All of these expenses are the Judiciary's funding responsibility, I could go on, there are a number of things like this. We, for example have had to in the recent past contract with architectural consultants who are experts in courthouses so that we can help assure ourselves and help GSA in assuring us that the building that's going to be built is in fact an adequate courthouse. It may be a wonderful building architecturally, but may not necessarily be a wonderful courthouse given circulation patterns that are needed by courthouses. So it's those kinds of expenses that——

Mr. Bosco. Well, this apparently is some $22 million that you're requesting be made available year after year for space alteration projects. And it isn't as if we're, you know, going to micro-manage any of this. It's just that I would prefer that we start with the authorizations on these. I'm offering it as a suggestion that we can be more helpful to you, because I think you do make a good case that you're being knocked from pillar to post and not making any progress on these dozens of new judges that you have and no place to put them. I think we'd be willing to help you try to resolve that in a comprehensive way.

Mr. MECHAM. May I just say that the funds are to be used for projects already approved by this committee. We are compelled to pay for these additional costs. We would prefer to have them come out of the Public Buildings Fund, but we have to go before Appropriations to get money, sometimes for projects that we have to put up money for without any advance notice.

Mr. Bosco. Well, that might be something that we can work on to get it resolved.

Let me ask you about San Juan, because here's another case where I think everyone's expectations were different. Apparently the judges don't want to leave the old courthouse there?

Mr. MECHAM. That's true.

Mr. Bosco. What's going to happen to the new one?

Mr. MECHAM. They would utilize the new facility as well. There are additional facilities required there, and I believe that GSA was talking about perhaps satisfying their needs with an annex or the equivalent thereof, next to the so-called Hato Rey facility. But there are additional requirements for buildings for judges, and court support in San Juan.

Ray Karam has personally examined that situation and he may want to give you a little elaboration.

Mr. KARAM. The court's position, Mr. Chairman, is that the facilities that are being planned for and have been constructed in Hato Rey are not going to be adequate to the needs of the court. The old San Juan Courthouse would, with these new facilities, satisfy the requirements of the court.

Mr. BOSCO. Well, why is it that the old San Juan Courthouse wasn't adequate in the early 1980's and now suddenly it is? It seems like a lot of money was expended to move the courts to what they wanted, which were better facilities.

Mr. KARAM. We were told by GSA that the renovation of old San Juan would cost approximately $50 million. That seemed high to us, because right across the street there's another old historic building that had been rehabilitated by the Customs people for something less, I'm told, than $20 million. I don't know how much it cost, but it was less than $20 million.

We have contracted with the Corps of Engineers, who in turn subcontracted, to do an analysis of the old San Juan Courthouse and Post Office to see what the cost would be for renovations. And as Mr. Austin pointed out, the cost came out to some $12 million to not only make the building safe and improve all of the conditions to make it a habitable building, but also to renovate it completely. For something about half of that amount we could put in the necessary fire protection and all the rest that's needed to make the building continually usable.

Mr. BOSCO. So what you're saying is that the new courthouse isn't big enough anyway, and that you need more space and that the judges would rather stay in the old courthouse rather than build an annex——

Mr. MECHAM. I want to make clear the judges now housed in Old San Juan, and for whom the space in Hato Rey is being prepared are not asking to stay in the old courthouse.

Mr. BOSCO [continuing]. And that you feel that the old courthouse could be renovated for some $12 million?

Mr. MECHAM. I'll ask Mr. Karam to respond to that.

Mr. BOSCO. The old courthouse can be renovated for some $12 million, and you feel that would be more cost effective than building an annex onto the new courthouse?

Mr. KARAM. Well, we understand that the GSA is considering another building at Hato Rey at sometime in the future for the needs all Federal units, including the courts. We've been having this discussion with GSA all along.

Mr. BOSCO. So you're saying now that you need the new courthouse, the annex, and the old courthouse? Or which one of those three would disappear in your plans?

Mr. KARAM. Retaining the present courthouse in Old San Juan would satisfy our expansion requirements in Puerto Rico. We don't know if GSA would still see a need to request another building in Hato Rey to satisfy needs of other federal agencies. If a new building were built, we might well ask to realign some of our space in Hato Rey to correct some structural problems, for example, the columns in the magistrates' courtrooms. I'm not sure anything would disappear completely. The old courthouse in San Juan currently is occupied by judicial officers. The District Court would move out of old San Juan into Hato Rey. But the old San Juan Courthouse would continue to be occupied by judiciary officers, circuit judges, and I believe bankruptcy, and that building and that space would be needed for the court's proper functioning in Puerto Rico.

Mr. **MECHAM**. May I just say that we're not after three buildings, we're only after two. Keep the old one, renovate it, plus the building at Hato Rey that the district court is moving into shortly. We're not talking about an annex on top of that.

Mr. **BOSCO**. Oh, you're not talking about an annex

Mr. **MECHAM**. No, we're not.

Mr. **KARAM**. As I say, there would have to be adjustments to the current plans for that annex.

Mr. **MECHAM**. Correct.

Mr. **KARAM**. And those adjustments may result in absolutely eliminating the annex for court needs.

Mr. **BOSCO**. Oh, okay. So the adjustment would be eliminating it altogether.

Mr. **KARAM**. It certainly could be. I wouldn't want to come down on that until we've consulted with the GSA.

Mr. **BOSCO**. Now, where are the homeless? Are they in the old courthouse?

Mr. **MECHAM**. As I understand it, under the McKinney Act, GSA proposes they would go to the old courthouse. They better speak to that themselves, but that's the notice we have.

Mr. **BOSCO**. Have they moved into the old courthouse?

Mr. **MECHAM**. No.

Mr. **BOSCO**. Is the old courthouse vacant now or are the judges still there?

Mr. **MECHAM**. The judges are still there.

Mr. **BOSCO**. I see.

We'll have to, I think, work with you to get that resolved.

Mr. Petri?

Mr. **PETRI**. Thank you.

In the course of all the concern about expansion and renovation of existing facilities, do you have any advice to give us about closing or disposing of unused courtrooms? I used to be a law clerk, and I'm familiar with the situation that at least existed 20 or 30 years ago in Wisconsin. I think it's true in many places in the country. The District Courts are established and the statute provides for four or five, or six or more cities that they are authorized legally to hold court. There are courtrooms, and sometimes court personnel in each of those or several of those cities, but in fact they meet in one city and don't go out to these facilities, sometimes for a decade or even longer. They're used as storage rooms, and for one thing and another. The clerk will sit there and do all kinds of things, hoping someday that some business might come by.

Well, is this at all a problem? Has it been cleared up? Have you made recommendations to the GSA or to Congress for disposing of these facilities? Do you have records on the frequency of use of these branch courthouses? In our State, maybe it's changed, but we have quite a few judges in Milwaukee, and there used to be one—I think there may be three now—in Madison. But back in the days when we had horses and trains, people couldn't get to those cities quite so easily, and so we also had Federal Courtrooms and a Clerk in Superior, Wisconsin. There used to be a lot of business because of the Indian territories there, and there still was a clerk in the 1960's, and a large courtroom—La Crosse, and Eau Claire, and Wausau, in the Eastern District in not only Milwaukee, but Green Bay and Oshkosh and Racine, and Kenosha. At least in many of those areas it would be sensible to use a county courthouse or some state facility for an occasional trial that for one reason or another, would be used—the bankruptcy judges do that—rather than maintaining personnel and facilities at Federal taxpayer expense.

Have you cleaned that up, or are you saying it's not a problem really?

Mr. MECHAM. No, I think you've identified a legitimate consideration.

First of all, it's very rare that staff is based at places to hold court as they're defined in the law. Usually the staff comes with the judge when they do get together at those particular places.

I, perhaps, should give you a little anecdotal background on this. Back in 1986 when we were hit with the Gramm-Rudman-Hollings sequestration, we had to take the equivalent of an eight percent cut over a six-month period. We came up with a list of places of holding court which we thought, based on the amount that they were used, conceivably could be closed. And we presented such a list, and I would guess that we had I don't know how many thousand letters from Bar members, from members of Congress, saying you shall close this over my dead body. And finally, we managed out of this process to suggest the closing of one particular place of holding court in Mississippi, and within a day there was a rider on an appropriation bill saying thou shalt not close this place of holding court.

My guess is that there are probably not too many locations where the courts are not used at all, or where the community doesn't want us to have a place of holding court. It is a very vexing and difficult political problem to close them down, and we would look to you for leadership on that, and be pleased to have you come up with some recommendations for us.

Mr. BOSCO. If Mr. Petri will yield, may I ask, out of all those recommendations who was it that thought that you'd get by with one in Mississippi?

Mr. MECHAM. I don't recall who it was but if I did I'd take the Fifth Amendment on that one. [Laughter.]

Mr. PETRI. Well, I'm just interested in this because if we do have these facilities and if they are only occasionally used, and we are adding judges to the Federal Judiciary, it might make sense to station those judges in those courtrooms, rather than building new courtrooms, if in fact they're vital and necessary, and have community support. And it would save us a great deal of Federal expense if we did it that way, and provide better service to the public, wouldn't it?

Mr. MECHAM. It could in some instances. In many it probably wouldn't work out very well, because the costs for operation would be substantially higher, in certain cases at least, if we had to have a judge permanently located there with a deputy clerk, and a marshal, and a probation officer, and so on. It could run into some serious dis-economies. But there are undoubtedly some where there probably would be some economies.

Mr. Bosco. I wonder—Mr. Petri, will you yield?

Mr. Petri. Yes.

Mr. Bosco. On this same point, it seems to me that maybe rather than having the judges located there, we would be wise to look at—or maybe in addition to having them located—we'd be wise to look at some sort of a plan whereby we could rid ourselves of these useless courthouses and use that money in some way to finance the need for new facilities. I think maybe we should have something along the lines of the military base closure commission that could make airtight recommendations to Congress.

Mr. Mecham. It would take that, I suspect.

Mr. Bosco. Do you feel there are enough of these around the Country to where if we really did close down obsolete and unused, or little used, courthouses that we could gain enough money to make a dent in your current problem?

Mr. Mecham. Based on our analysis in 1986 when we were trying to make some savings under Gramm-Rudman-Hollings, it is really not a big cash saver. There was a study done for the Appropriations Committee, a formal one in this case, in 1981. Some space was released as a result of the utilization survey, based on usage and percentage of usage, and time used and so on. And perhaps another survey might well be made. We've done some informal ones. I must say that it doesn't look like you really save a lot of money. Now if we were able to go back in history and save what may have gone into building a facility where they are built, then we could have made some savings at that time.

I might also say that in certain instances we use other Federal facilities, and even State and local facilities, in certain places where we hold court. They're not all in Federal facilities.

Mr. Bosco. Thank you. Mr. Petri?

Mr. Petri. Thank you. Just one other question.

Can you give us any idea as to an estimated cost of providing courtrooms and chambers were we to expand the Judiciary by an additional 73 judges? Is there any rule of thumb about how much a judgeship costs in terms of support personnel and building costs?

Mr. Mecham. We've done some pretty refined studies on that. And as I recall, it costs about $550,000 a year for the first year for a new District Judge, for staffing and salaries of the judge and support. That includes space rental but does not, however, get into the alteration costs for providing, in the case where they do need them, new chambers. And it goes down to about $500,000 or a little less than that per year on an annual basis thereafter.

When you asked that question of Mr. Austin, we were looking over some of our data on facilities costs. We really haven't done much work on that. That's basically GSA's area. But there were some rules of thumb that one of our staff came up with that said on the average it probably costs $750,000 to a million dollars for a judge for facilities. But I wouldn't want to rely on that. We need something more precise. And it would vary from place to place. He was merely looking at an average cost based on past experience.

Mr. **Petri**. Thank you.

Mr. Bosco. Thank you.

Mr. Parker?

Mr. **Parker**. Thank you, Mr. Chairman.

I was reading your testimony and I'm interested. By the way, I'm from Mississippi and I don't know where that courthouse is, but I don't want that sucker closed either.

Mr. **Mecham**. I think it might have been Clarksburg, but don't hold me to that.

Mr. **Parker**. Well, it needs to be left open.

I'm interested to find out something. Just exactly how does your relationship with GSA work? Now, the reason I asked that question, you mentioned—I keep seeing differences in your testimony and what you say the tone that you're in discussing it's a landlord/tenant type situation. I just want to know what that relationship is. It seems to be adversarial. I'd like to know a little bit about that.

Mr. **Mecham**. I might say a word or two. Basically, if I were just to put it in a capsule form, the statutes are pretty clear that any new substantial facilities for the judiciary, construction or major remodeling and so on, is done by GSA under laws with which you're very familiar and have jurisdiction over here in this subcommittee.

We have had more opportunity in the last couple of years to make recommendations and have them taken seriously by GSA than I'm told existed heretofore. We don't always reach agreement, however, and very frequently we do not. But I support GSA and say that because GSA is under regulation by OMB, a lot of the things that I suspect GSA would like to do in terms of moving projects along, they can't do because OMB puts the screws on them and says you can't move ahead on these projects. It's a more complex answer than just to say what are our relations with GSA. It also goes to where our relationships indirectly are with OMB, and therefore, the White House in that sense. It's a very complex interrelationship.

Ray Karam works more day-to-day in this area than I do, but let me just say a couple of more things. On a given project, let's suppose on some of these prospectuses that you're taking up here today, GSA would put up the lion's share, but increasingly we find out that things they previously funded they no longer are willing to fund and they ask us to fund them. I guess they have a shortage of funds. We also find we can't get design done as quickly as we could in the past because GSA's budget has been cut and they don't have enough design people. So I'm not saying all the problem is on GSA, but the net result of all of this is something that we find unsatisfactory, generally, in the Judiciary.

May I have Mr. Karam respond a bit?

Mr. **Parker**. Sure.

Mr. **Karam**. Just to follow on the same line, I think one way of categorizing our relationship is currently GSA is the manager of our process, rather than the agent of the courts. And the Director mentioned here a little earlier today that we feel the Judiciary should have more independence in establishing its own priorities and being responsible for its destiny by working directly with the Congress.

I might just make a couple comments about funding arrangements, because this was brought up by your Chairman here a minute ago. The Judiciary's budget has in it, and I'll just use round numbers, about $250 million to pay for our space needs. We have some 12 to 13 million square feet of space that we occupy. Of this $250-some million most of it, just about all of it except this $22 million or less, is paid to GSA for rent. Now, when we pay GSA rent, analyses performed by GSA for us indicate that, about two-thirds of the money goes to GSA's actual costs, and about one-third of those funds go into the Public Buildings Fund for construction or whatever else comes out of the fund—for purposes other than just paying costs that GSA incurs for leases or maintenance or whatever.

If we were an independent branch of Government in this arrangement, which is peculiar to the Judiciary because we're not at this time, we would probably have Statutory authorities, or in some way have a larger say as to how that construction money, if I might call it that, would be spent. We don't. What we do have is GSA putting together the Space package and OMB reviewing the package, By statute OMB and the President—the Executive Branch, cannot amend the Judiciary's budget, and they forward our budget directly. We don't have an independent space and facilities budget. Our requirements are fitted into the Administration's overall facilities program. When that GSA budget goes to be spent, then, they amend it considerably. The result is our priorities compete with all other Executive Branch Agencies. As the Director said, this is a very technically complex relationship that we live with, and I think that complexity does, in fact, result in the situations where we have adversarial relationships. But I want to be very quick to mention that not all of our relationships with GSA are adversarial. We have very cooperative relationships with GSA in very many instances. Unfortunately, just like you don't hear about all the airplanes that fly safely, you only hear about the ones that crash; you only hear about the problems we have with GSA and you don't hear very much about all the good things that happen.

Mr. Parker. Well, I think the basic point, the statement you made when you want some judicial independence pretty much sums it up, because that's where the adversarial relationship begins.

Mr. Karam. I believe so, Congressman. The Judiciary being a branch of Government feels it should not be subject to the policies and the pressures that are felt by OMB or GSA as an element within the Executive Branch.

Mr. Parker. One other point. And I'd like to just get your idea about it.

It seems that people in Government, whether it's the Judicial Branch or Executive Branch, or Legislative Branch, we can't operate well unless we're in a very nice surrounding. You know, we can't really accomplish anything and make really good decisions unless we're comfortable and that we've got things that are pleasing to the eye. It's an odd thing to me that years ago we used to hold court under trees. And whenever they sentenced the guy to hang, he was just as dead as if they'd of sentenced him in the Supreme Court. It really didn't matter. I mean, the guy was still dead.

And I'm not saying we should go back to start having court under trees. I think we've gotten carried away a little bit by the type of surroundings that all of us have gotten used to. I dare say there are not many elected officials in this Country that live in the type of surroundings when we go home at night, that we live in during the day. And I understand symbolism, I understand perception. That's all important. But I think we've gotten carried away. And whenever I look at situations like in my own area back home, where I see paneling that is selected because it matches just the right way, and it cost about 15 times more than paneling that looks just as good, and is just as good a quality, but it's just aesthetic. It has to have that touch, because after all these are judicial chambers. I think we've lost a little reason. And with budget problems the way we have them, I would like to see, personally I would like to see that addressed. I don't want things that are shabby, and I don't want things that are not nice. At the same time I want things that have a little sense to them. And I think we are carried away sometime by the type of surroundings that we put around us. And I just wanted to bring up that point, because I will be bringing it up again.

Thank you very much.

Mr. **Mecham**. May I respond just briefly, Mr. Chairman?

Mr. Bosco. I think we would owe you that courtesy.

Mr. **Mecham**. First of all I would not say that there aren't examples of what Mr. Parker has just said. I'm confident there are. I've seen a few where I had a couple of questions myself. However, you should be aware that there is a new initiative we are taking to bring better management the Judiciary's space utilization and building standards. We've created a new committee of the Judicial Conference on space and facilities, chaired by Judge Vance of Alabama, a Circuit Judge who's a first class person. They have mandated a study of revising the so-called judicial standards, both on courtrooms, courtroom size, and paneling, carpeting and the whole business that will be sensible and will be enforceable. Frankly, the present standards, for the most part are not honored as much as they are in the breach. And I know one court in your State, or at least one situation, not a court, where there has been an example of just what you have said. We hope we'll bring some better standards that are enforceable, that will be more in keeping with what you just suggested, Mr. Parker.

Mr. **Parker**. Let me just respond, Mr. Chairman.

I appreciate that. I've been here three months and I've already solved that problem, so that makes me feel real good. [Laughter.]

Mr. **Mecham**. You haven't solved it, but thank you.

Mr. Bosco. I might add, parenthetically, that my wife is a judge, and I would trade her chambers for my office any day. [Laughter.]

Mr. Cox.

Mr. Cox. Thank you.

Well, as a resident of the fifth floor of the Cannon Building, I think I'm the right person to speak next. [Laughter.]

I'd like to begin, Mr. Mecham, by saying I don't envy your job, because the only thing worse than having to come hat in hand to the Congress, is then having to report back to Federal judges.

And I'd like to congratulate you in particular on what was accomplished in Pasadena, given that that is one of the items on our list for improvement right now. I know how long Judge Chambers worked to get that accomplished and it's an interesting footnote in history that one of the six judges that is now ready to go Senior and necessitating the expansion was one of his law clerks, Judge Hall. That's how long it takes to get things done, I guess.

That, however, dovetails into what I'd like to ask you about, which is Orange County, California, because while we've got one of the beautiful courthouses in America up in Pasadena, and we're thinking about expanding it, we've got judicial homeless problems down in Orange County with the judges using modular housing, and no courthouse at all for three and a half million people. And by the way, although it's the responsibility of another one of our subcommittees on Public Works, Surface Transportation, it takes forever to get from Orange County to Los Angeles. And not only the population distinction, but that travel time, all day, makes it literally impossible for Orange County residents to use Los Angeles County courthouses.

What has the Administrative Office of U.S. Courts been doing with respect to a permanent courthouse in Orange County?

Mr. MECHAM. Well, first of all, so you understand, as far as policy in these matters, they're judge-made policies and we endeavor to implement them. We take our policy guidance from Congress and from the judges. And so our job is sort of a broker role that you were talking about. And it's a delicate role, but I don't find it all that unsatisfying.

In anticipation of a question on this matter, and also a similar question was raised at a House Judiciary Subcommittee hearing a week ago, we've done some checking to see what the status is. I could give you a detailed report. Let me just say that we talked to Chief Judge Manny Real of the Central District of California, headquartered in Los Angeles, and also Chief Judge Goodwin, the Circuit Chief, who is located in Pasadena. Both of them recognize the problem. They both recognize that a new facility would be desirable. Presently there are judges sitting in Santa Ana, as you know. The concern they have, at least so they told me, is that there is not enough land there, in their view, to provide the kind of facilities that are needed for the judges and others who would be there, and also provide necessary parking for the employees. The land presently used for parking would all be required for construction of the building. So this is a concern for them.

One of your colleagues, Mr. Moorhead, asked me what about underground parking, and we are looking into that as a possibility, and I'm sure GSA would as well, if we asked them to do so.

I could give you a lengthy statement about what's happened on this. There is concern that this could diminish the support for the court, under construction at Hadley Square, which was pushed through with great blood, sweat and tears by one of your colleagues, Mr. Roybal, Chairman of the Appropriations Subcommittee. There is some apprehension there. But basically, the judges are quite willing to have a new facility built there, and they would support it if the parking problem could be resolved. I believe there are two judges there now. A senior judge will be going there very soon. I think there's a bankruptcy judge there and there probably will be another one. I think the judges are sensitive to the needs you've just described.

Mr. Cox. This is information that you can do with what you will, but just so that you know that there is some geographical rivalry in Southern California, I have been visited in my offices by judges from Los Angeles lobbying against a courthouse in Orange County, meanwhile Orange County is desperate to have it, and there's unanimity there that it is needed. What would be, I think, useful to us and also to Judiciary would be to have statistics, and perhaps you've already collected them on the percentage of the Central District's caseload that emanates from Orange County. I think that would be particularly useful.

Do you know whether that information is extant presently?

Mr. MECHAM. Do you know Ray? I'm not familiar——

Mr. KARAM. No, I don't.

Mr. MECHAM. I know that a couple of years ago Mr. Dannemeyer asked the same question. We did provide him with the data then, but I'm sure it's changed. When I see the number of lawyers in Newport Beach, for example, I would imagine that there would be quite a migration of cases to Santa Ana, if there were better court facilities and more judges there.

Mr. Cox. Sure. And I will disclose my own bias. I practiced law for 10 years in Orange County, and it is literally impossible to get up to Los Angeles without going up there the night before.

Mr. MECHAM. Let me say that on the part of the two Chief Judges I mentioned, we'd like to work with you and see if something can't be worked out, and of course, we'd involve GSA as well.

Mr. Cox. Thank you very much.

Mr. Bosco. Mr. Cox, one of the nice things about having you on the Subcommittee is we hope your biases will be felt in what the solution of this comes about.

Mr. Duncan?

Mr. DUNCAN. Well, first I'd like to say that I thought the statement made by Congressman Parker a few minutes ago was one of the finest I've heard in a long time, and I'd like to associate myself with those remarks.

Mr. Mecham, you are asking, or going to be asking for additional judges and additional facilities, yet I recall a few weeks ago there was a Federal judge in Cincinnati who was so angry over the failure to get the pay raise, that he said he was going to work just 20 hours a week, and there were other reports that were other Federal judges across the Country that were going to also slow down in their work. Has there been a slowdown like that?

Mr. MECHAM. The answer is no, and Judge Rubin, the judge who made the statement, after thinking about it, swiftly retracted it. I might say of Judge Rubin that we have very independent people in the Judiciary, almost as many as there as there are in Congress. And Judge Rubin is one of those resolute, strong, independent souls who goes his own way. I must say he's one of the most hard working and effective judges in the system, and he was just pretty bitter, because he's been on the bench long enough to have seen his real purchasing power substantially decline. He thought when he came on board as a judge, the Constitution would assure that his compensation shall not be diminished during his time in office, and he shall serve for life on good behavior. What he has discovered is that inflation has substantially eaten away at his salary, and his standard of living has gone down. He doesn't expect to be paid as much as the lawyers who appear before him, who usually get three, four, or five times as much money as he does. His law clerks all go out and make as much or more than he makes their first year out in practice, in many cases. So you can understand a certain element of unhappiness on his part. He realized it was a mistake to say it.

But the answer is no, there's been no slowdown, but I also must tell you I don't know of any more shattering blow to the morale of the Judiciary of the United States, than the failure to get that salary increase through.

Mr. DUNCAN. I spent the past seven and a half years as a State trial judge, and I know from that experience that judicial statistics can be padded much more easily than most statistics. And I would like to ask that when you come before the Congress with statistics requesting additional judgeships and facilities, that you bring statistics that show the actual number of cases tried, not the number of cases disposed of, because to dispose of a case when it's worked out by some guilty plea that takes a few minutes, or it's settled out of court, that's very deceptive. But to really get an accurate picture of the work that a judge is doing, you would have to see the number of cases that he actually tries, that actually, you know, go to a jury trial, or actually are tried with a full day of trial in court. And I would like to make that request.

Mr. MECHAM. You can be sure that will be done. A highly sophisticated procedure has been developed by the Judicial Resources Committee of the Conference, particularly the Statistics Subcommittee, and they prepare data that generally has been widely accepted among the members of the Judiciary Committees of the Senate and the House. I must say I think they do a very fine job in doing it.

There are some basic policy questions involved, perhaps we could look at from the other end. If Congress would look at the amount of jurisdiction they load on the courts, we might not need as many judges. This past year we had a drug bill passed that's going to substantially increase the jurisdiction of the courts and the workload. The sentencing guidelines are an incredible work increaser. There's going to be less plea bargaining, more trials, more appeals. I would hope that perhaps you could induce some of your sister committees to come up with a judicial impact statement on what some of this legislation is going to do to the Judiciary. You might also want to look at diversity jurisdiction. We could get by with 16 new judges instead of 59 District judges if you'd abolish diversity jurisdiction. It ought to be done for State plaintiffs anyway.

Mr. DUNCAN. All right.

Thank you very much.

Mr. BOSCO. Well, that type of a proposal might be a little outside the scope of this Subcommittee, but with each one of these judges costing us $750,000 to a million dollars in buildings, maybe we are the right group to make that proposal.

Thank you very much, Mr. Mecham and Mr. Karam. We appreciate your testimony and found it very delightful and I think helpful.

Mr. **MECHAM**. Thanks for the privilege.

[Mr. Mecham's prepared statement follows:]

Statement of L. Ralph Mecham

Director

Administrative Office of the
United States Courts

Before the Subcommittee on
Public Buildings and Grounds

of the

Committee on Public Works
and Transportation

United States House of Representatives

March 16, 1989

Mr. Chairman and Members of the Subcommittee:

My name is L. Ralph Mecham, Director of the Administrative Office of the United States Courts. I appreciate the opportunity to appear before you today to discuss the impact the General Services Administration's (GSA) Fiscal Year 1990 proposed Capital Improvement Program will have on the Federal Court System and to report on other aspects of the Judiciary's Space and Facilities Program. Accompanying me today are Raymond A. Karam, Assistant Director for Administration at the Administrative Office and other members of his staff. Judge Robert Vance of the Eleventh Circuit Court of Appeals, who serves as Chairman of the Judicial Conference's Committee on Space and Facilities, unfortunately was unable to be here today due to a scheduling conflict. He looks forward to meeting the members of the Committee and to a productive working relationship with all of you.

With your permission, I will submit my prepared statement for the record and highlight a few points.

Allow me to say first, Mr. Chairman, on behalf of the Judicial Conference, that the Federal Judiciary is most appreciative of the enthusiastic support it has received from your Committee and its staff. I welcome this opportunity to appear before the Committee as further evidence of your support.

I have submitted with my testimony a profile of the Judiciary's space inventory, including a table which shows the financial resources dedicated to the Judiciary's facilities needs. As you can see, the space and facilities activities of the courts are no small part of the Judiciary's budget, totalling almost 20 percent of the Judiciary's salaries and expenses, or a quarter of a billion dollars. In fiscal year 1990 it is estimated that these costs will be more than $270 million.

GSA's Fiscal Year 1990 Capital Improvement Program

Mr. Chairman, you asked that we review GSA's proposed fiscal year 1990 Capital Improvement Program now before this Committee, and identify any discrepancies, problems or omissions we might see. My staff has been working closely with the GSA staff during the last two years to ensure that the Judiciary's requirements are included in GSA's plans. I believe together we are on the way to making some progress, and the projects proposed by GSA in their FY 1989 and now in their FY 1990 Capital Improvement Program reflect those much improved working relationships.

In reviewing the final Capital Improvement Program, which was forwarded to me on February 21, 1989, I solicited comments both from my own facilities planning staff and from the Councils of each Circuit through their Circuit Executives. I realize that in some instances the time table for completion of some projects, such as that proposed for Chicago, may have been delayed due to funding constraints; and we have expressed to GSA our differences over their plans to renovate or to dispose of certain facilities, such as the McCormack Post Office and Courthouse in Boston and the Courthouse/Post Office in Old San Juan, Puerto Rico. At this time I would like to outline only briefly some areas of particular concern, and of course, will provide any additional specific details you may require for inclusion in the hearing record.

Prospectuses for Proposed Judgeships -- The FY 1990 Capital Improvement Program includes design and construction projects that will house 13 new district judgeships of the 59 to be proposed in legislation that will be transmitted to the Congress during this session. This request is by no means all inclusive, and as you can see includes funds for only 9 locations. In addition, the request includes $1.5 million for design costs which GSA considers to be "reimbursable" from Judiciary funds. This request is of great importance to the Judiciary, Mr. Chairman, since authorization of these projects will save about two years in providing the proposed judges with their permanent facilities.

Boston, Massachusetts -- GSA has not requested authorization to begin the renovations now under design for the McCormack Post Office and Courthouse. The courts in the First Circuit and the District of Massachusetts are quite concerned about GSA's plan to renovate the McCormack building, rather than construct a new facility. Briefly stated, the renovation plan proposed by the GSA will not suit the needs of the courts located in Boston, and a number of studies have concluded that a private-public partnership, as is being done in the Foley Square New York project, is the most cost-effective means of providing adequate court facilities. I have given the Committee staff a copy of a report prepared by the Judiciary at the request of the House and Senate Appropriations Committees on the needs of the Courts in Boston. It is our recommendation that a new courthouse be constructed there, rather than renovating the McCormack building. Our study indicates that to be a less expensive alternative to the taxpayer.

Oklahoma City, Oklahoma -- The prospectus description does not state that magistrate's facilities are to be provided and that the project includes relocation of the Chief Circuit Judge. We have not yet been able to clarify with GSA staff that these costs are included in the prospectus budget.

San Diego, California -- The estimated construction cost for the courts appears rather high given the scope of the work to be accomplished. The major portion of the work will provide the courts only with expanded office space and we will clarify that point with GSA staff.

Sacramento, California (Moss Federal Building) -- We support the proposed prospectus now before the Committee for Sacramento. The pending prospectus provides a solution to the needs of the courts in Sacramento at least until 1997. Without it, the facilities for senior and other judges will not be available.

We recognize that the long-term needs of the Court in Sacramento may require future adjustments, but this is not unique to this court. Such adjustments, must often be made as new judgeships are authorized, court workloads change, and other aspects of the court change over time.

Milwaukee, Wisconsin and Columbus, Ohio -- We question the budget construction estimate for the Milwaukee project. As to Columbus, there may be other agencies to be relocated in addition to the Small Business Administration in Columbus which could raise these costs. Of course, we plan to discuss all of these concerns with GSA staff in detail.

In addition, Mr. Chairman, we would suggest adding three projects to the FY 1990 Capital Improvement Program:

Pasadena, California -- Chief Judge Goodwin, of the Ninth Circuit Court of Appeals, has recently discussed with me the need for a prospectus in Pasadena, California. At the present time there are two circuit judgeship vacancies, and the prospect exists for six additional circuit judges to take senior status by 1991. Since the programming of the space requirements for their accommodations already has been done, we request consideration be given to authorizing the design phase of this project in the FY 1990 Capital Improvement Program, instead of waiting until 1991, as I believe is GSA's current plan.

San Juan, Puerto Rico -- GSA is in the process of disposing of the U. S. Courthouse and Post Office in Old San Juan, Puerto Rico, which has been classified as being excess to the needs of the Government. It is our contention that the building can be economically renovated for the continued use of the U.S. Courts and Post Office. The Judiciary recently completed a comprehensive architectural and engineering cost study on this project that we have made available to GSA and to the Committee staff. The study concluded that for approximately $12 million, the building can be renovated to meet all building code requirements and meet the needs of the courts.

We would propose to you that, in light of these estimates, the facility be retained for continued use by the U.S. Courts and the U.S. Postal Service (USPS). The court units we would house in the facility include the U.S. Bankruptcy Court, now housed in inadequate facilities in the Hato Rey building; senior U.S. District Court Judges, for which no facilities now exist; the U.S. Court of Appeals judge now resident in Puerto Rico, as well as facilities for convening an appeals court panel; and ancillary support facilities. We will formally submit these requirements in more detail to the GSA regional office in New York within the month. Furthermore, we have been assured by the USPS that they would maintain a unit in the building, if it is retained.

Boston, Massachusetts -- As I said earlier, we have completed a comprehensive study of the needs of the Courts in Boston and alternatives for satisfying those requirements. Our conclusion is that a new courthouse should be authorized, rather than pursuing the renovation of the McCormack building. We suggest that the design and site selection be authorized for FY 1990.

We would be pleased to participate in future hearings on these three projects should the Committee decide to hold them.

Mr. Chairman, the comments I have made on the Capital Improvement Program are based on the best information we have on hand at this time. In order to improve the management of information and data related to the Judiciary's space and facilities program, a number of initiatives have been undertaken by the Space and Facilities Committee of the Judicial Conference to ensure timely, up-to-date information and long-term planning capabilities are available to the Judiciary. I will discuss these items later in my testimony.

As you can see, the prospectuses clearly describe the portions of the estimated costs that are reimbursable to GSA from the U.S. Courts. These costs total approximately $7 million. There are, therefore, two sources of funding for these proposals -- one from GSA, the other from the Judiciary.

As I am sure you can recognize, Mr. Chairman, whenever there are two or in some cases three sources of funding for a single project, there is the potential for delays and problems. This is particularly bothersome when two of the three branches of Government are involved. Should funding be approved by GSA's Appropriations Subcommittees, without the requisite funding from the Judiciary's Appropriations Subcommittees, serious delays in providing space to the courts could develop, and conceivably work on entire Federal buildings could be affected. In Tulsa, Oklahoma, for example, three agencies, the Courts, GSA, and the Postal Service, are required to provide funds for a major realignment of space, and at this time there is a question as to whether the courts will be able to provide their $835,000 contribution towards the project this year. This touches on a general area of continuing conflict which needs to be resolved, and which I will discuss later in my testimony.

The Judiciary's Space and Facilities Program

With your permission, Mr. Chairman, I now would like to provide the Committee with a brief update on the Judiciary Space and Facilities Program. When I was appointed Director of the Administrative Office in July 1985, it was quite apparent that the Judiciary's Space and Facilities Program was an area of primary concern throughout the Judicial family; and I was determined to commit additional human and financial resources to this important program. A large part of these initial plans had to be deferred since it was only a few months later, in December 1985, that the Gramm-Rudman-Hollings deficit reduction legislation was enacted.

Mr. Chairman, let me assure you that the Federal Judiciary is quite cognizant of the serious budget deficit problems our nation is facing. The Gramm-Rudman-Hollings legislation, however, not only affected funding for the courts' facilities program, but apparently also has had a serious impact on GSA's ability to provide, in a timely manner, the services which the courts, and I presume other Federal agencies, require. For example, GSA used to have a large design staff to assist us with doing layouts and architectural drawings. Now that work is contracted out with resultant delays in providing the work we need to have done. Furthermore, as you know, GSA has been required to consolidate some of its regions on the East and West coasts. With less staff, the processes for obtaining facilities services have become quite cumbersome, the ultimate outcome being delays in following through on our requests.

I make mention of this only to draw attention to the fact that as financial resources have become scarce and GSA shifted the cost and level of some services they had provided in the past to client agencies (including the Judiciary), our ability to provide accommodations to the courts also has been adversely affected.

Space Delays and the Prospectus Development and Construction Cycle

As you know, in 1984 the Congress authorized the creation of 85 new Article III judgeships, 52 bankruptcy judgeships were created in 1986, and in 1988 seven more bankruptcy judgeships were authorized. I have attached a statement which shows those judges appointed pursuant to the 1984 and 1986 Judgeships Acts who are not yet occupying permanent facilities. According to our latest information, 18 judges appointed under the 1984 Act and 30 appointed under the 1986 Act are not in permanent facilities. Although none of the 1988 bankruptcy judges have been appointed, temporary facilities have been identified for all of them, but it may take as long as two years to provide them with permanent facilities.

There are numerous factors which affect the final acceptance of a judge's permanent facilities. We have found that for the judgeships authorized by the 1984 Act, about 44 percent have waited more than 12 months to obtain their facilities. Clearly this is an unacceptable period of time.

The Judiciary is critically short of judges, and increasing delays in Federal Court trials are the result. In 1986, the Judicial Conference approved requesting of Congress 69 more judgeships. Congress took no action at that time; currently, using established formulas there is a need for 73. New judgeship legislation is being drafted for introduction in this Congress, and the FY 1990 Capital Improvement Program proposes to provide housing for only 13 of the 59 new district judgeships, as I discussed earlier.

It costs the taxpayers over $500,000 a year in salary, support staff, and supplies to support a trial judge. So, because of the need to try cases and the costs involved, we simply cannot afford to have judges on the bench who cannot operate effectively because of the lack of adequate accommodations. We must do better.

To illustrate this point I have included a "time line" with my testimony which describes the GSA's project development, approval, and construction process. As you know, the process begins about two to three years prior to the start of a given fiscal year. Once the project has been developed at the local GSA region level, and it has passed Office of Management and Budget review and has been submitted to and approved by the Congress, it takes about a year to a year and a half for the design phase of the project to be completed and about another two to two and half years for construction and final occupancy.

It also highlights that many times, a court-related project requires relocating another tenant. In the best situation, that can be done during the design phases. If it is not, tremendously long delays can result. For example, in St. Paul, we have been waiting three years to relocate two small IRS offices needed by the Eighth Circuit Court of Appeals.

The United States District Court for the Eastern District of New York is housed at Cadman Plaza in Brooklyn. The court consists of 12 active and senior district judges and 4 magistrates, now housed in approximately 140,000 square feet of space. Both the U.S. Attorney and the court need expansion space in the building. Expansion for the courts was originally requested in 1985. In order to satisfy this request, GSA must relocate the Internal Revenue Service District office to leased space. After several unsuccessful attempts to find acceptable space for IRS, GSA finally delegated leasing authority to that Agency. GSA now is preparing to lease interim space for the court's immediate needs until the IRS relocation takes place. What this long delay means in terms of the administration of justice is that the court has suspended action on virtually all civil cases. It is not even possible to bring in visiting judges to work on the backlog, because there is no place for them to sit. We have a judicial emergency in Brooklyn because of a lack of facilities to try cases, and while the situation is very frustrating for the Judiciary, the truly enormous toll is on the litigants whose cases are further and further delayed.

Executive Branch Relationship

Even though the Judiciary is a separate branch of Government, the Judiciary's projects are subject to the same Office of Management and Budget and GSA budget targets, and Federal Buildings Fund spending limits as are almost all Executive Branch projects. In spite of my statutory responsibility to provide accommodations to the courts, I do not have any statutory authority to assist me in carrying out that responsibility. In the 630 locations where judicial units are located throughout the country, in over 13.5 million square feet, we are dependent upon the Executive Branch -- on the General Services Administration in particular -- to solve our space problems. The Space and Facilities area is the only area, I might add, in which the Judiciary is totally dependent on the Executive Branch for support.

As this space and facilities relationship now works, the policy and budget priorities of the current Administration, enforced by the Office of Management and Budget review procedures, have a direct impact on the functioning of what should be -- and is in most other ways -- an independent Judiciary. We believe we should have a greater role in determining and recommending to the Congress what portion of the Judiciary's space needs will be funded and when. Further, there are other restraints on our ability to meet our needs because of positions taken by the Executive Branch. Administration policy and budget decisions have precluded the use of innovative financing alternatives, such as "lease purchase." The greater use of private-public sector arrangements, such as those being used on the new Judiciary Office Building, cannot be fully exploited. Such alternatives are often the only practical solution to housing needs and provide space more quickly than established procedures.

I have become convinced during these past three and a half years, that, despite the best intentions of GSA, there are some systemic adjustments which need to be made. In lieu of the triangular relationship with the Executive, Legislative and Judicial Branches, I envision a much more direct approach. Providing facilities for the Judiciary should be accomplished in the same manner as Judiciary funding, the jurisdiction of the courts, and the creation of new judgeships are determined -- between the

Congress and the Judiciary. Executive Branch control in effect precludes the Congress from solely determining which Judiciary projects are to be authorized. Instead of having to react in many cases to the real estate and construction schedules determined by GSA, the Judiciary should be able to determine and propose its needs to the Congress independently. The Judicial Branch goal, briefly stated, Mr. Chairman, is to see the GSA as an agent of the Judiciary rather than manager of the process.

New Program Initiatives

In spite of some very "trying" facilities-related experiences with providing permanent facilities to those judges appointed under the last two pieces of judgeship legislation, and in addition to the normal workload being managed by insufficient staff, the Federal Judiciary has moved forward in an attempt to manage and control its facilities program better. Of particular significance has been the establishment of a Committee of the Judicial Conference on Space and Facilities. This Committee provides guidance and direction to me in carrying out my statutory responsibility to provide accommodations to the courts. The Committee, with Judge Vance as its Chairman, serves as a standing "Board of Directors," and is comprised of a judicial representative from each circuit outside the District of Columbia, and a Magistrate and a Bankruptcy Judge. That

Committee has a series of initiatives underway that will ensure a well-managed, cost-effective judicial facilities program:

First, the Committee is directing a complete review of the judicial space standards -- everything from the size of courtrooms to special acoustical treatments needed for grand jury rooms. We expect the review to be completed in about 18 months. We believe the revised space standards will ensure greater control over the quality and quantity of Judiciary occupied space.

Second, the Judicial Conference has asked each court to develop long-range facility plans using consistent guidelines endorsed by the Committee. We are drafting instructions to be used by the courts in developing their plans. The facility plans for each court will include information on current space, a projection of the court's 5, 10, and 30-year space requirements based on projected caseload, and an inventory of actions that will be needed to satisfy those requirements.

Third, to help us manage our program on a national basis, we are developing an automated management information system that will contain a profile of our current space inventory, the status of space projects underway, and the inventory of long-term requirements.

To support these initiatives I have organizationally raised the facilities operation to a division-level office within the Administrative Office and have requested an additional 6 people -- a 30 percent increase in staffing -- in the FY 1990 budget.

Some Proposed Solutions

About a year and a half ago, I commissioned the National Academy of Public Administration to address the extent of discontent within the Judiciary about the provision of facilities. The study found that a primary cause of delays in delivering space was the inability of the Judiciary to plan for its own requirements and to manage the process.

There is no doubt that the sooner we begin planning, the better the chances are for completion of a project. The Judicial Conference's Committee on Space and Facilities believes that some statutory changes may be required to minimize space delivery delays. With the use of the long-range facility plans now under development, revision of the Courts' Design Standards to reflect reasonable, enforceable standards, and the implementation of an automated information system to control resources, I believe the process for providing accommodations for the Federal Courts will be more efficient and cost-effective.

The facilities requirements of the "Third Branch" are somewhat unique. In both Judge Vance's and my opinion, these facilities should present an image of the dignity, and most importantly the efficiency of our judicial system. This does not always occur, but we believe progress is and will be made with your Committee's support.

To the extent the Committee may wish, I am prepared to cite specific examples of locations where we have had a difficult time in providing accommodations. At this time, perhaps I should attempt to answer any questions you may have. Once again, let me thank you for the opportunity to appear before you today.

FEDERAL JUDICIARY SPACE AND FACILITIES PROFILE

SQUARE FOOTAGE

TOTAL SQUARE FEET = 13,950,000

TOTAL NUMBER OF LOCATIONS	630
LOCATIONS WITH LESS THAN 50,000 SQUARE FEET	575
LOCATIONS BETWEEN 50,000 AND 100,000 SQUARE FEET	28
LOCATIONS BETWEEN 100,000 AND 250,000 SQUARE FEET	22
LOCATIONS WITH MORE THAN 250,000 SQUARE FEET	5

FISCAL YEAR 1989 FUNDING

(IN THOUSANDS OF DOLLARS)

RENTAL PAYMENTS	$218,563
OVERTIME UTILITIES	$2,050
LEASED PARKING	$700
TENANT ALTERATIONS	$11,000
SPACE RELATED EQUIPMENT	$1,000
TOTAL	$233,313

PERCENTAGE OF OCCUPANCY

NUMBER OF LOCATIONS WHERE JUDICIARY HAS MORE THAN 50% OF THE TOTAL SPACE IN THE BUILDING	248
NUMBER OF LOCATIONS WHERE JUDICIARY HAS MORE THAN 50% OF THE TOTAL NUMBER OF PEOPLE IN THE BUILDING	177

PEOPLE

LOCATIONS WITH MORE THAN 900 PEOPLE	1
LOCATIONS BETWEEN 500 AND 900 PEOPLE	3
LOCATIONS BETWEEN 300 AND 500 PEOPLE	3
LOCATIONS BETWEEN 200 AND 300 PEOPLE	9
LOCATIONS BETWEEN 100 AND 200 PEOPLE	31
LOCATIONS BETWEEN 50 AND 100 PEOPLE	62
LOCATIONS WITH LESS THAN 50 PEOPLE	521

Article III Judgeships Authorized by Public Law 98-353 Not Housed in Permanent Facilities as of March 10, 1989

I. Circuit Judgeships

Circuit	Judge	Location	Status
5th	Jones	Houston, TX	In temporary facilities. Design complete, construction begun, occupancy October 1989.
5th	Smith	Houston, TX	In temporary facilities. Design complete, construction begun, occupancy October 1989.
9th	Kozinski	Pasadena, CA	In temporary space. Judge desires additional space. Awaiting solution from court.
9th	Thompson	San Diego, CA	Chambers under construction, project required multiple moves, occupancy unknown.

II. District Judgeships

District	Judge	Location	Status
Alaska	Kleinfeld	Anchorage	In temporary facilities, required renovation of Bankruptcy, close to construction.
California (C)	Wilson	Los Angeles	Due to space realignment awaiting permanent facilities.
Colorado	Vacant	Denver	Judgeship is vacant.
Hawaii	Kay	Honolulu	Part of approved prospectus, awaiting move of U.S. Attorney.
Illinois (N)	Duff	Chicago	In temporary facilities FY 1991 prospectus, occupancy in 1992.
Illinois (S)	Stiehl	E. St. Louis	In prospectus for permanent facilities. Occupancy in 1990.
New Jersey	Rodriguez	Camden	Permanent courtroom is under construction.

District	Judge	Location	Status
Nevada	McKibben	Reno	Judge was originally to be housed at Las Vegas, but has relocated to Reno. Project is now in planning phase.
Ohio (N)	Batchalder	Cleveland	In facilities that require renovation in 6-9 months.
Ohio (S)	Weber	Cincinnati	In facilities that require renovation to begin late 1989.
Oklahoma (W)	Alley	Oklahoma City	Awaiting courtroom construction, requires re-alignment and moves of other agencies.
Rhode Island	Lagueux	Providence	In temporary facilities, awaiting permanent facilities, occupancy November 1989.
Tennessee (W)	Todd	Jackson	Judge occupying existing chambers, that require renovation.
Washington (W)	Dimmick	Seattle	In temporary facilities dependent upon a courthouse realignment which is pending.

Total Number of Judges Occupying Permanent Facilities............ 67

Total Number of Judges Awaiting Permanent Facilities............. 18

Total Number Authorized.. 85

Bankruptcy Judgeships
Authorized by Public Law 99-554
Not Housed in Permanent Facilities

District	Judge	Location	Status
New Jersey	Stripp	Camden	In temporary facilities; construction contract awarded, occupancy late 1989.
North Carolina (W)	Hodges	Charlotte	Project was redesigned. In temporary space (using the court library). GSA claims the Judiciary changed scope of the work, currently construction to start by August 15, 1989. AO is following up on completion schedule.
Louisiana (W)	Hunter	Alexandria	In temporary leased space, will be in permanent facilities in FY 1990.
Texas (N)	Felsenthal	Dallas	In temporary space, permanent facilities part of prospectus, estimated occupancy of permanent facilities in FY 1990.
Kentucky (W)	Roberts	Louisville	In temporary space. Not yet designed, requires relocation of other agencies. The Circuit Executive reports a commitment from GSA to provide permanent space by October 1989.
Illinois (C)	Fines	Danville	In temporary facilities, FY 1990 project, occupancy 1991.
Illinois (N)	Squires Barliant	Chicago	In temporary space, permanent facilities part of prospectus, design complete, construction begins in 1989. Occupancy in 1991.
Wisconsin (E)	McGarity	Milwaukee	In temporary facilities, FY 1991 project, occupancy in 1992.
Arkansas (E) (W)	Scott	Little Rock	In temporary facilities, part of ongoing alteration project to be completed by December 1989.

District	Judge	Location	Status
California (N)	Tchaikovsky	Oakland	Permanent facilities dependent on move of the Bankruptcy Court in Oakland. Schedule being determined.
California (E)	Ford	Fresno	In temporary facilities. Approved prospectus to provide facilities; awaiting approval of plans by the District Court.
California (E)	Klein	Sacramento	Using a mix of temporary existing facilities; permanent facilities designed, awaiting construction award.
California (C)	Greenwald Lax Riblet Ahart March	Los Angeles	In temporary leased facilities; awaiting permanent facilities in new Federal Building in December 1990.
California (C)	Wilson	Santa Ana	In temporary facilities, permanent facilities in design; realignment of existing space created a delay.
California (C)	Riddle	San Bernadino	Required realignment of clerk from second to first floor; permanent facilities by March 1990.
California (S)	Bowie	San Diego	In temporary facilities, permanent facilities part of renovation of the Courthouse scheduled for completion by November 1990.
Idaho	Lodge	Boise	In temporary facilities, permanent solution is new building. GSA now doing Community Plan; may be FY 1991 Prospectus.
Nevada	Riegle	Las Vegas	In temporary facilities, permanent facilities under construction to be completed July 1989.
Washington (E)	Rossmeissl	Spokane	In temporary facilities, part of a 1991 prospectus for 1994 occupancy.

District	Judge	Location	Status
Washington (W)	Howard	Tacoma	In temporary facilities, moving Bankruptcy Court into a leased building; occupancy Spring/Summer 1989.
Oklahoma (N)	Covey	Tulsa	In temporary facilities, court moving to permanent facilities to be provided in FY 1990 prospectus for design.
Utah	Boulden	Salt Lake City	Awaiting permanent courtroom Hope to provide in 1990.
Oklahoma (W)	Teselle	Oklahoma City	In temporary facilities, courtroom and chambers under construction, occupancy Fall 1989.
Georgia (N)	Bihary Murphy	Atlanta	Part of prospectus. Hope to provide facilities in 1990.

Total Number of Judges Occupying Permanent Facilities............ 22

Total Number of Judges Awaiting Permanent Facilities............. 30

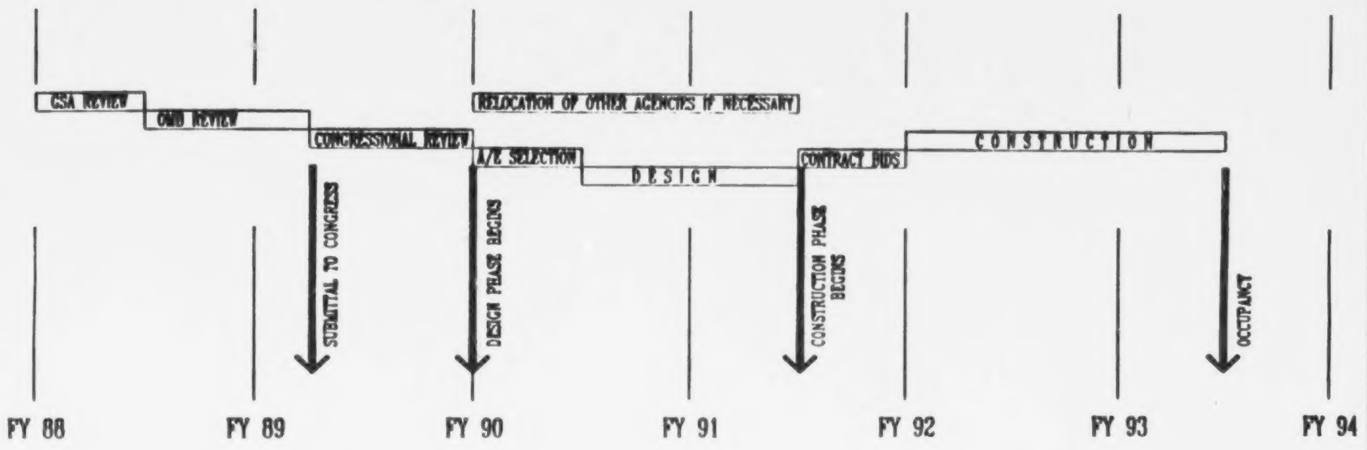
Total Number Authorized.. 52

GSA'S PROJECT PLANNING CYCLE for FISCAL YEAR 1990 PROSPECTUS PROJECTS

● FROM PROSPECTUS DEVELOPMENT TO OCCUPANCY = 5+ YEARS

↔ ADVANCE PLANNING SAVES TIME AND PRODUCTIVITY

● RELOCATION OF OTHER AGENCIES A KEY FACTOR



Mr. Bosco. I will now call on Richard Hauser, Chairman of the Pennsylvania Avenue Development Corporation and Donald A. Brown, commissioner, United States International Cultural and Trade Center Commission. It seems your interests are somewhat the same, and we might as well have you both together.

We'll put your entire statements in the record, you may proceed, Mr. Hauser.

TESTIMONY OF RICHARD HAUSER, CHAIRMAN, PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION, AND DONALD A. BROWN, COMMISSIONER, UNITED STATES INTERNATIONAL CULTURAL AND TRADE CENTER COMMISSION, ACCOMPANIED BY KEN SPARKS INTERIM ACTING PRESIDENT, INTERNATIONAL CULTURAL AND TRADE CENTER

Mr. **Hauser**. Thank you, Mr. Chairman, and good morning, and good morning to the members of the subcommittee.

I do have, as you indicated, a statement. It's a brief statement summarizing the activity of the PADC with respect to the International Cultural and Trade Center Federal Triangle project. I will even be briefer in my remarks, given the press of your business. I'm accompanied by Jay Brodie, who is the Executive Director of the PADC.

Briefly, I would like to say that since the Congress unanimously approved the ICTC project and gave PADC the lead responsibility for the development, we have had significant progress. I can't claim credit for that since I've only been the Chairman for about six weeks, but I will give that to my predecessors and it's richly deserved.

We have been working with the General Services Administration. We have good cooperation from them, the ICTC, the National Capital Planning Commission, and the Commission of Fine Arts. The plan that has been developed was submitted to Congress and approved in September of 1988. There has been a great deal of developer interest in the project. It has been advertised, 75 prospectuses have been purchased by developers, architects, attorneys, contractors, others. GSA, together with ICTC has met with interested parties along with Jay Brodie of our corporation to answer many of the questions that have been raised. We believe that those have all been responded to quickly, and forthrightly.

The time, given the complexity of the project and its size, has caused us to extend the time so much for the submissions of proposals, which is now June 1st, which we do not believe will in any way delay the project. We are hopeful that we will meet that schedule, that the Board will be able to consider initially the ICTC project at its board meeting in September. And that right now is our goal.

We're very pleased with the support that we have received from the Congress. We look forward to working with you. I'd be pleased to answer any questions, or for Mr. Brodie.

Mr. Bosco. Thank you, Mr. Hauser.

Why don't we go forward with Mr. Brown's testimony, and Mr. Sparks, thank you for being here also. And then we'll ask questions of all of you en banc.

Mr. **Brown**. Thank you, Mr. Chairman. Ken Sparks is the interim acting president of the International Cultural and Trade Center. He's on loan to our Commission from the Federal City Council in Washington, D.C.

Senator Percy, who's chairman of our Commission certainly wanted to be here this morning, but he had a prior out-of-town commitment. He did prepare a statement, which we'd like to submit for the record. Fortunately, for all of us his is the detailed statement, and I have only three brief points which I want to mention.

The first is about the ICTC program. We've been working awfully hard on this for the last 18 months to finalize the program. We think it's an exciting program and one that will make a real difference to the United States of America. The Country must make a long-term commitment to promote cross-cultural understanding and reduce our trade deficit. Those are the objects of the activities we've planned for the Center, and we believe it's going to be a success.

There will be office space for foreign, state, and local governments, port authorities and international agencies. We'll have retail space that will offer foreign boutique items and food from around the world. A major performing arts and film center will showcase the world's culture. A one-stop information center will provide American business people with almost all they'll need to know about how to export effectively. A training center will teach language, area studies, cross-cultural communication and basic courses on trade practices, trade policy and trade finance. Permanent and temporary exhibition space, conference facilities and a reception center for distinguished visitors will all be at the Center. In combination, we believe these programs will provide the American people with a greater appreciation of other cultures and of the importance of trade to our future economic well-being, and will prepare American businessmen to trade more effectively.

The second area I wanted to mention, Mr. Chairman, is one that you are obviously well aware of, and that's the issue of Federal tenancy. And I hope that finally that we're moving towards a resolution of what we consider to be a very major issue. Thanks to the efforts of this committee, and its Senate counterpart, the Justice Department did meet last week with GSA and us and PADC to consider other alternatives for housing for the Justice Department. Our RFP is on the street already, and developers are beginning to design our building. A speedy resolution of this issue is imperative if we are to obtain the best design, and if we are to avoid costly delays and change orders. Clearly, the Justice Department needs to be consolidated. But to have them at the International Center would be wrong. But as GSA pointed out to them last week, there are other sites in Downtown Washington where such a consolidation can occur. The programs of USIA and the ICTC work together in a complementary manner. We strongly encourage the committee to again express its view that USIA should be the major tenant in this facility.

Mr. Chairman, my last point I'd like to make is that we have several legislative issues that we will be bringing to the subcommittee this year. First, when our enabling legislation was approved back in 1987, the Commission had not been formed and no one had a real sense of how it would be organized or how the Center would be structured. Because of that uncertainty, the Congress placed a limitation of ten direct-hire positions and five loaned positions, with a $1 million annual limitation on our funding. We all correctly believed that such an amount would be sufficient for the first year. Now, with the help of Peat Marwick and GA Partners as our consultants, we have studied both organizational issues and a long-range economic feasibility plan. We believe that a staff of about 25 will be required for our next fiscal year, with a budget of around $3.5 million. By the time the building opens, we will need somewhere between 100 and 125 people. Many of these people will be Government employees working on trade-related matters. Others will be privately funded. Ultimately the Center will operate from a combination of its operating Government funds, and private contributions. Some of our activities such as office rental, retail rental and parking will make a profit and they will subsidize others such as the performing arts facilities that do not. But the long-range economic prospects for the Center are indeed positive.

The problem is in the short term. Currently we have to ask for reprogrammed funds from the agencies who sit ex officio on our Commission. We propose that during the development and construction period the committee authorize the appropriate funding levels for the ICTC on a multi-year basis and that we seek direct appropriations. Only by adequately funding the Center during a complicated planning process can its potential be achieved. And by helping American business people become better traders and by stimulating a greater appreciation of other cultures by all Americans, the Center will ultimately provide a rich return on this public investment.

Mr. Chairman, that concludes my opening remarks. You'll see a much more detailed report in Senator Percy's submitted statement, and we are pleased to answer any questions that your committee would have.

Mr. Bosco. Thank you, Mr. Brown.

And I think that it's appropriate to have you all together, because the issues that this subcommittee typically has focused on involve all of you. I'm glad to hear that you seem to be getting close to working out something with the Justice Department. I know that we would be very happy to work with them in finding other space for them, but I for one, am convinced that the focus of the Trade Center should really be a commerce-oriented one and not one that simply carries on the other work of the Government, as important as the Justice Department is. But I'm hopeful that we could find them facilities that will be just as satisfactory, and maybe in many ways even better for them.

I'm going to ask Mr. Petri if he has any questions?

Mr. Petri. I guess I would join you, Mr. Chairman, in your expression of encouragement for the parties working out something that is to everyone's satisfaction. I know it's sometimes difficult, but that shouldn't be impossible. And it's a gentler, kinder Nation these days, and maybe this will be one sign of that.

I just did want to express one or two questions for Mr. Brown. I may be operating under a misunderstanding, but it is my impression that this Center was to be self-supporting out of private and non-Federal Government funds, once established. And yet, I see that you're saying ultimately the Center will operate on proceeds from its operations of Government funds and private contributions. You may have been referring to State or local or foreign government funds. I hope you weren't referring to Federal Government funds. I know you're going to be a great success, but I'm curious to know if for some reason you start running on a negative—or have financial problems—if you're going to be doing any contingency planning for us spinning this off to private tenants, or other Government agencies rather than going through bridge funding and slipping into a subsidized situation on a permanent basis?

Mr. BROWN. I don't think there's any doubt that there will be no need for leasing of space to private companies. We've represented that from the beginning. There are many agencies in the Federal Government, the State Department being one, that are going to have their whole passport division as part of our Center. And certainly they're going to pay for the space that they use. We expect this to operate on basically a break-even basis.

There's an awful lot of our activities where foreign countries and States of the United States, and international organizations and port authorities will be paying something more than their pro rata share of the rent. And their rent, you know, will be somewhat less than the same value they would get on the private market. The answer is that once we get operating, we don't expect to need Federal funds. Right now we have no income, we have only expenses. And the planning process is enormously complicated for this type of facility.

Mr. PETRI. Let me just ask the question directly. The Federal Triangle Development Act we passed requires that the Center be self-sustaining without Federal funds within two years of beginning operations. Will the Center be able to achieve this?

Mr. BROWN. If you ask me if I think it's going to be able to achieve that, yes, I think it will. We've met with every representative of every foreign country at least twice. And we're convinced that we don't have enough space to give them the amount of space they'll want. It is far cheaper for them to rent space from us, than to build facilities. And so, we're sure that there's going to be a major demand.

Insofar as the fine arts portion of this, that's going to be tough, and it's going to have to be subsidized. We should have enough other activities that can provide that subsidy.

Mr. PETRI. Thank you.

And just one question for Mr. Hauser. The cost estimate for the development that this committee, or Congress, received last June was $461 million. Is that still a good figure, or has there been any movement either to a lower figure or higher figure in the intervening 10 months?

Mr. HAUSER. Mr. Petri, I think the answer is that that's still a realistic cost estimate. One of the obstacles that we do face, though, is still the resolution of the tenancy question which can effect, obviously, the cost. And I'm not sure what the interest—Jay, you might want to add something—Mr. Brodie—too.

Mr. PETRI. Sure.

Mr. **Brodie.** To add to Mr. Hauser's comments, the $461 million consisted of first, an estimate of hard costs, that is construction costs, which was in the area of $360 million. And since that time a couple of things have happened. One, through our investigations we've discovered some contaminants, mainly oil from old oil tanks on the site. That has to be removed, plus or minus a million dollars to the project costs, and as the ICTC Commission, as Mr. Brown referred to, has refined their program, particularly in the area of the performing arts and exhibits and retail space, they have estimated further fit-out and equipment costs, and we have factored those in. So that has changed the $360 million figure to approximately $400 million.

The $461 figure was hard and soft costs combined, the major variable factor in there will be the interest rate. And that, of course, has changed since our estimate in June, which we shared with the Congress, and shared with the development community through the prospectus. We would all hope that the prime rate, and therefore the rate at which private developers will be able to borrow construction money would go down rather than up by the time contracts have to be signed. So at the moment, we haven't tried to refigure the $461 based on current interest rates. We could obviously do that, but the relevant rate will be the rate when contracts will be signed in the future.

Mr. **Petri.** But your best judgment right now, is that if there is any movement in costs that has occurred in the last 10 months, it has not been down from $461, but up in the neighborhood of $500 million?

Mr. **Brodie.** Yes.

Mr. **Petri.** Thank you.

Mr. Bosco. I was suggesting to Mr. Petri, maybe we could move the Federal Reserve in there with you, and they could help you with your interest problem.

Mr. Parker?

Mr. **Parker.** Thank you, Mr. Chairman.

The concept is a good concept. I like the concept that you have and also from the standpoint of having a private development. I like that a great deal.

But my question is, is that I still would like to know what the cost is. Do you know what our cost, as the Government, what the cost is going to be? Let's say start-up costs, between now and getting the building operational. What is the cost going to be to the Government?

Mr. **Brodie.** Well, let me try to answer a part of the question. I then have to ask my colleagues to assist.

The estimated cost that the Congressman was referring to, in our role as Pennsylvania Avenue Development Corporation, is to help get the building designed and built through this private sector competition that you referred to. So those are the costs that I referred to, and we just updated in my answer to the last question. The start-up costs for the agencies are not being handled by our corporation. They're being handled by ICTC for themselves, and by GSA speaking for the other Federal tenants. So I'd have to pass on to them to help answer your question.

Mr. **Brown**. We've talking about a period of at least four and half years before the building will be open.

Mr. **Parker**. Right.

Mr. **Brown**. With these requests for proposals coming in this summer, it will take at least a full year for final working plans to come and bids to be put out, and probably a two and a half or more year construction period. We won't have any income during that period.

I really think that we are going to have to spend about $3 million a year to have the kind of staff and program ready to go when the building is open, and it won't just be an empty building getting started. We'll be off and running as soon as the building is open, and in fact, we plan to have a lot of activities going on even during the construction period, including trade conferences that are going to start taking place this year, that are going to be sponsored by a combination of the Commerce Department and the International Trade Center.

Mr. **Parker**. So in talking about $3 million a year, you're talking about between $12 and $15 million, something like that?

Mr. **Brown**. I think $15 to $20 million is probably—if it takes us a couple of years to get all of the income flowing in. I would say $12 to $20 million. That's a lot of leeway, but it's very difficult to project more precisely right now.

Mr. **Hauser**. One thing I'd like to add, Mr. Parker, is that the Government in this case will own the building and the property at the end of the 30 years, so we hope that we can recoup some of our investment along the way.

Mr. **Parker**. Okay.

Mr. **Sparks**. And, Mr. Parker, I might just say a word about where we stand in terms of some of these feasibility studies that we've had underway. When we say that we need $3 million next year, or $3.5 million next year to do it, that's to do a lot things. That's to do the initial planning for what amount to be about 10 different discreet operations that will take place in that building, ranging from the education programs that Mr. Brown described, to the office space for the foreign governments, to the exhibit space that will be there, to the performing arts space, and film spaces that will be in the place, conference facilities that will be in there, reception operations that will be set up in the building, the parking and so forth.

Some of the programs, and why we use the term—to answer in part, Mr. Petri's question, too—why we use the term that there'd be Government funds, is that at this point some of those functions are basically Governmental functions. The United States Department of Commerce and the Agriculture Department have a responsibility to go out to the public now and explain what trade opportunities are, what trade policy is, what trade finance possibilities exist, and that sort of thing. The point is, that the Government will be putting together in this facility a one-stop information center where we hope to have it much more convenient for everybody, and frankly, a much better system. We're hoping that the automated, computerized system that was mandated in the trade bill, for example, would be located in this facility, and that people will come here, receive the information at this one facility, not only from the United States Government, but from the other governments and international bodies which we expect to attract to the Center. So when we say that there may be Government funds needed to move ahead even after the Center opens, that's just a question of providing for these Government programs to continue to exist.

What we show is that as we go out in the years after the Center operates, the Center should be operating in the black, and be able to begin to subsidize other operations which may well be these Government operations going on in the Center.

Mr. **Brown**. I like to think of our Commission, the six private commissioners, as being one of those 1,000 rays of light. I'm entering my seventh year of working on this project. We're all, all of us six members are doing this pro bono, and Ken Sparks is on loan from the Federal City Council, so I think that we're very conscious of the budget problems.

Mr. **Parker**. Personally, I think it's an exciting idea. And I think it's something that can be effectively used as a really a merchandising tool for us, as far as a Country. But I like it.

Thank you very much. Thank you, Mr. Chairman.

Mr. **Bosco**. Thank you.

Mr. Cox?

Mr. **Cox**. Thank you, Mr. Chairman.

I'd like to take this opportunity personally to welcome Mr. Hauser here. For those of you who don't know, Mr. Hauser was, for more than five years, Deputy Counsel to the President of the United States, and unfortunately for me, his departure from the White House was almost coincident with my arrival. Nonetheless, I have known him since then and can vouch for the fact that he is one of the most able, intelligent, hard working, and knowledgeable people in the Nation's Capital, and with his chairmanship of this corporation, I am sure that the success of the Federal Triangle ICTC project will be ensured.

I just have a quick question for you.

Mr. **Hauser**. I'm afraid to respond to that.

Mr. **Bosco**. Why don't you wait for the question? Maybe the other shoe is going to drop here. [Laughter.]

Mr. **Cox**. Having said that, my question is simply this, since the needs of the Federal tenant will probably have an impact on the developer proposals, if we don't get this question resolved, can you stick with even your extended June 1st deadline?

Mr. **Hauser**. If we don't get it resolved, it will be difficult. But I believe that we are confident. There's a great deal of goodwill at work here. There's a genuine effort to try to resolve it, and I believe that it will be. So I don't think that it's going to be that serious an impediment.

Mr. **Cox**. Is it technically possible to respond without knowledge of who will be the Federal tenant?

Mr. **Hauser**. Well, I think on the Federal tenant aspect of it, to some extent, yes, it can be, because some office space is basically fungible. But the more you bring in different types of programs of USI, for example, that may then affect the cost estimates.

Mr. **Cox**. Thank you.

Mr. Bosco. Thank you all very much. I really do hope this major issue is resolved and I think it's best that you all work on that, but we'll get involved in it quickly if it isn't. I think the sentiment on the Senate side is very much the same as what appears to be ours.

Thank you.

Mr. **Hauser**. Thank you, Mr. Chairman.

Mr. **Brown**. Thank you, sir.

[The prepared testimony of Mr. Hauser, Mr. Brown, and Senator Percy follow:]

PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

Suite 1220 North
1331 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-1703
202/724-9091

Richard A. Hauser
Chairman

M. J. Brodie
Executive Director

STATEMENT OF RICHARD HAUSER BEFORE THE U.S. HOUSE OF REPRESENTATIVES ON PUBLIC WORKS AND TRANSPORTATION, SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS, MARCH 16, 1989

Good morning Mr. Chairman and members of the subcommittee.

As the recently-appointed Chairman of the Board of the Pennsylvania Avenue Development Corporation (PADC), I am pleased to join my colleagues from the International Cultural and Trade Center Commission (ICTCC) and from GSA to discuss one of Washington's most exciting development: the Federal Triangle/ICTC project. I am accompanied by Jay Brodie, PADC's Executive Director. Since Congress approved unanimously the Federal Triangle Development Act in August 1987, giving PADC the responsibility for taking the lead in this matter, we have been hard at work. And we have made great progress. Let me briefly review that progress with you:

- By April 1988, working closely with our colleagues, we had drafted the "Development Proposal" material called for in the "Act" and sent it, for the required sixty (60) day review period to GSA, ICTC, the National Capital Planning Commission (NCPC) and the Commission of Fine Arts.

THE SECOND DECADE

- Following extensive consultation with each agency in June 1988, the PADC Board approved the Development Proposal and submitted it to Congress, two months ahead of schedule.

- After a number of staff briefings and discussions during the summer months, the Congressional Committees approved the "Development Proposal" in September 1988, except for the question of the tenants (agencies) for the Federal office space. Subsequently, at it's September meeting, the PADC Board approved the Draft Prospectus, prepared by the staff.

- Working cooperatively, numerous questions such as those regarding building height and volume, open space requirements and parking have been amicably resolved.

- By the end of November, the Prospectus was made available, advertised in the Wall Street Journal, the Washington Post, and the National Real Estate Investor magazine. We have sold over seventy-five (75) copies of the Prospectus to a wide variety of developers, architects, contractors and attorneys. Interest in the project is apparent.

- Executive Director Brodie invited all interested parties to an open meeting on December 16th, encouraging questions and comments; Mr. Richard Hadsell represented GSA and Mr. Ken Sparks represented ICTC.

- The subsequent completion of the Development Objectives and Development Agreement, Master Lease and Ground Lease documents--again the result of extensive work by PADC, GSA and ICTC resulted in a number of additional questions from interested competitors. In total, we have recorded and responded to seventy (70) questions concerning the various sections of the Prospectus. A second open meeting was held on February 10, 1989 at which Mr. Art Turowski represented GSA and Messrs. Donald Brown and Michael Newell represented ICTC. Additional written questions are continuing to be addressed. The questions and concerns that have been identified, have all been addressed within our usual procedures.

This process has helped to clarify the concepts of the project and demonstrated our willingness to be responsive and flexible while emphasizing our goals for design and construction quality and our concerns with time and cost. As a result, the potential for receiving high-quality proposals for this unique and challenging project has been enhanced.

Given the complex nature of this project and the voluminous material that makes up the Prospectus, an extension of time has been requested by numerous developers; in consideration of this request, the due date for proposals has been extended to June 1, 1989.

It would be very desirable, Mr. Chairman, if the Tenancy issue could be resolved in the near future, so that any changes to the current space plan could be defined specifically and sent out to all competitors.

Mr. Brodie and I would be pleased to answer any questions you may have.

Statement of

DONALD A. BROWN

Commissioner

United States International Cultural
and Trade Center Commission

before:

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
U.S. HOUSE OF REPRESENTATIVES

Subcommittee on Public Buildings and Grounds

Mr. Chairman, distinguished members of the Subcommittee, I am honored to be here this morning representing the U. S. International Cultural and Trade Center Commission. Senator Percy wanted to be here this morning, but unfortunately he is out of town. He has prepared a statement which we would like to submit for the Record. There are three points which I need to highlight this morning. I would like to briefly describe our program, touch on the issue of Federal tenancy and discuss our longer term legislative agenda.

The ICTC Commission has been working diligently to finalize our program prior to selection of a developer by the Pennsylvania Avenue Development Corporation on June first. I think you'll agree that we have an exciting program and one that will make a real difference to the United States. America must make a long-term commitment to promote cross-cultural understanding and to reduce our trade deficit. Those are the purposes of the many activities we have planned for the Center, and we believe it will be a success.

We have provided you background information which provides details on the proposed program. In short, there will be office space for foreign, state and local governments, port authorities and international agencies. Retail space will offer goods and food from around the world. A major performing arts and film center will showcase the world's cultures. A one-stop information center will provide American business with up to 90% of what they need to know to export effectively. A training center will teach language, area studies, cross-cultural communication and basic courses on trade practices, trade policy and trade finance. Permanent and temporary exhibition space, conference facilities and a reception center for distinguished visitors will all be at the Center. In combination, we believe these programs will provide the American people with a greater appreciation of other cultures and of the importance of trade to our future economic well-being, and will prepare American businessmen to trade more effectively.

Secondly, Mr. Chairman, I would like to address the issue of Federal tenancy. We may be moving towards a resolution of the issue. Thanks to efforts by this Committee and its Senate counterpart, the Justice Department met last week with GSA to consider other alternatives. But the RFP is on the street and developers are beginning to design the building. Speedy resolution of this issue is imperative if we are to obtain the best design and to avoid costly delays. Clearly, the Justice Department needs to be consolidated. But as GSA pointed out to them last week, there are other sites in Downtown Washington where such a consolidation can occur. The programs of USIA and the U.S. ICTC work together in a complementary way. We strongly encourage the committee to again express its view that USIA should be the major tenant in this facility.

Mr. Chairman, the last point I would like to make is that we have several legislative issues we will be bringing to the Subcommittee this year. First, when our enabling legislation was approved back in 1987, the Commission had not been formed and no one had a real sense of how it would be organized or how the Center would be structured. Because of that uncertainty, the Congress placed a limitation of ten direct-hire positions and five loaned positions, with a $1 million annual limitation on our funding. We all believed that such an amount would be sufficient for the first year or so and it has been. Now, with the help of Peat Marwick and GA Partners, we have studied both organizational issues and long-range economic feasibility. We believe that a staff of approximately 25 will be required next fiscal year, with a budget of approximately $3.5 million. By the time the building opens, we will need somewhere between 100 and 125 people. Many of these people will be government workers working on trade-related matters. Others will be privately funded. Ultimately, the Center will operate on proceeds from its operations, government funds and private contributions. Some activities such as retail and parking will make money and subsidize others such as the performing arts facilities that do not. But the long-range economic prospects for the Center are positive indeed.

The problem is in the short term. Currently we have to ask for reprogrammed funds from the agencies who sit exofficio on the Commission. We propose that in the future the Committee authorize the appropriate funding levels for the ICTC on a multi-year basis and that we seek direct appropriations. Only by adequately funding the Center can its potential be achieved. And, by helping American business become better traders and by stimulating a greater appreciation of other cultures by all Americans, the Center will ultimately provide a rich return on this public investment.

Mr. Chairman, this concludes my opening statement. I wanted to be brief. You will see in Senator Percy's testimony a more detailed description of our program and requirements. At this point, Mr. Chairman, I am open for any questions you or members of the Subcommittee might have.

TESTIMONY BY
SENATOR CHARLES H. PERCY
FOR THE
HOUSE COMMITTEE ON PUBLIC WORKS
AND TRANSPORTATION
SUBCOMMITTEE ON PUBLIC BUILDINGS
AND GROUNDS

THURSDAY, MARCH 16, 1989

Mr. Chairman, members of the Subcommittee, and members of the staff. As Chairman of the United States International Cultural and Trade Center Commission, I very much regret that I am unable to be with you this morning, but I appreciate the opportunity to submit written testimony to the Subcommittee.

Having had a lifelong involvement in foreign trade, for 28 years as a businessman and also during my 18 years in the Senate, I take this responsibility for promoting world trade, increasing cultural exchange and helping to globalize and internationalize the United States' marketing efforts very seriously. This committee is to be congratulated for its leadership in launching such a unique and creative enterprise, and I agree with President Reagan, who in his letter to me of April 13, 1988 said, "America faces no more important challenge than improving its competitive position worldwide. The International Cultural and Trade Center, under your leadership, will become an important symbol of our national resolve -- public and private -- to meet this challenge head on in a constructive, mutually beneficial manner."

I am proud to introduce the other private sector members of the Commission. The Commission's distinguished Vice Chairman is the Honorable Harry C. McPherson. Harry played an important part in bringing this exciting project into being when he served as President of the Federal City Council. We also have Mr. Donald Brown, developer, who also played an important role in the early days of this project; the Honorable Michael "Mickey" Gardner, attorney; Mr. Abe Pollin, entrepreneur; and Mr. Jud Sommer, finance executive. These Presidential appointees plus nine ex officio members representing key Cabinet and sub-Cabinet agencies have been hard at work since last April 29th, when the Commission first met, organizing and putting the initial program in place. The Presidential appointees are appropriately bipartisan -- three Republicans and three Democrats -- and we are working together hard and well. Our Cabinet members have each attended at least one meeting and as often as not, when they could not be present, they were represented by the Deputy Secretary or the equivalent. Our legislation provides that we must meet three times per year. In the past eleven months we have met formally eight times and approximately ten times informally. I am happy to report that we are off to an excellent start with the Commission. We have benefitted, too, from the excellent staff led by Ken Sparks and Mike Newell.

I would now like to describe some of the programming concepts that are being developed for the Center -- both for the long and short term -- and then ask for your counsel and assistance in resolving several items, a few of which may require legislation.

Mr. Chairman, for a number of reasons, America has an extremely serious trade problem. We are importing more than we are exporting by more than $10 billion a month. And although significant progress was achieved in 1988, most experts feel that it will be extremely difficult to sharply reduce the deficit in 1989. Just what combination of policies can begin to bring our exports and imports into balance in the relatively short term is a proper matter for debate. But in the long run it is clear that America needs to strengthen its commitment to trade and to actively and aggressively involve more Americans in the process. Today fewer than 2000 companies account for over 80 percent of all of our exports. Americans must become more export and foreign trade conscious. And that, Mr. Chairman, is where we feel the new Cultural and Trade Center can make its most significant contribution. We see as our central mission elevating the level of awareness of all Americans as to the importance of trade to their individual and collective well-being. And since trade and cultural understanding are so inextricably bound together, the Center's proposed programs are designed to not only inform our people on the nuts and bolts of trade but to provide that information in as rich a cross-cultural setting as is humanly possible. Only by understanding other cultures -- their customs, their needs and their desires -- can we truly expect to increase the goods and services which we sell abroad. We intend to build on the excellent start underway with the Department of Commerce "Export Now" program and the Small Business Administration's (SBA's) nine conferences that have been held across the country with the full support of AT&T.

With this in mind, we are proposing several exciting activities for the new Center.

o A One-stop Trade Information Center -- where it will be our goal to be able to answer 90 percent of all of the questions that business executives might ask about getting involved in and strengthening their foreign activities. And we would arrange through the Center to help the prospective trader get the answers to the other 10 percent of his questions. This will be a public-private partnership involving federal resources from Commerce, Agriculture, the Trade Representative, the Export Import Bank, Customs, the Small Business Administration and a host of other departments and agencies, as well as international organizations such as the World Bank and the IMF and private sector groups such as the U.S. Chamber of Commerce, the National Association of Manufacturers and others. Just one example: The Department of State would issue passports at the Center and those foreign nations requiring visas could issue them at the Center, saving days of cross-town travel.

o A Trade and Cultural Conference Center -- where actual trade negotiations as well as conferences and meetings will take place. We hope to use the newly renamed Mellon Auditorium which will be interconnected with the

Center as a principal meeting hall for this activity. These facilities will be fully equipped with translation services and information systems.

o An Education and Training Center -- where business people can learn how to trade and how to win friends and markets overseas. Courses would be taught on trade policy, trade finance, trade operations, area studies and language. Working with existing institutions we believe it will be possible to provide thousands of business men and women with badly needed training each year. In addition we hope to work with groups such as the Close Up Foundation, the great universities, institutions and "think tanks" uniquely located in the Nation's Capital to provide learning experiences for thousands of students and young people each year.

o A Reception Center -- where those countries which lack adequate facilities or all others who wish to can host a state dinner with appropriate decorum and security. Also, we envision a club facility as part of the reception center where government officials, diplomats and the international community can meet, inform, and entertain one another.

o Chancery annex office space -- where commercial attaches, consular officials, cultural attaches, and trade and other missions as well as representatives from international organizations and from each of the 50 states, territories, and major cities will maintain information offices.

o An International Exhibit Center -- where each of the regions of the world will be represented with a permanent exhibit area featuring a major attraction designed to showcase that part of the world. Around the central attraction, countries will be allowed to have exhibits which promote their culture, their trading interests and tourism. In addition, more than 30,000 square feet of exhibit area will be reserved for special showings of artistic, cultural or trading significance. This area might be used in conjunction with a particular visiting dignitary or it might also be used by institutions such as the Smithsonian or the National Gallery for appropriate international functions.

o Specialty shops -- where merchandise and foodstuffs from around the world will be available for sale. Roughly 130,000 square feet have been reserved for this function which would make it roughly equal to the Shops area in the Marriott Hotel complex and a little larger than the expanded retail area in the Old Post Office. We believe that the combination of exhibits and specialty retail will be an important international learning experience for millions of Americans who have not had the opportunity to travel abroad or experience these things firsthand.

o And finally -- An International Performing and Cinema Arts Center -- where the world's great artists and more specialized attractions can be presented on a regular basis. We have planned a 1500-2000 seat performing arts theater that could be available, for instance, for the celebration of each country's "National Day," or for states' days or other state functions. We also have planned two film theaters and an IMAX or special film facility where the trading equivalent of the Smithsonian's "To Fly" would be playing continuously.

And, Mr. Chairman, I should point out that the reciprocity provisions of the Foreign Missions Act which I was pleased to co-sponsor would apply to foreign government activity in the Center. In other words, as we provide space to service the needs of foreign governments, we will have the right to seek similar accommodations or some other quid pro quo for our activities in those countries.

Mr. Chairman, we believe that this combination of facilities in conjunction with compatible U.S. Government office space such as the State Department's Passport Office, U.S.I.A. (which would include World Net and the Voice of America from which visiting Chiefs of State could conveniently televise and/or broadcast to their own countries), the Woodrow Wilson Center, and parts of the Departments of Commerce and Agriculture will make for precisely the kind of internationally focussed program which this country so badly needs. My only regret is that it will take us approximately five years to have the building and these programs ready to go. But you are cordially invited not only to our ground breaking but also to our official opening.

In the meantime, though, we have already offered to work with the Bush Administration to see what kind of programming we can do that would both help America's trade situation now and set the stage for the more comprehensive programming we will be able to undertake in the future. For example, we are exploring hosting a major conference of top business leaders in what we are calling an Export Mobilization Summit later this summer. We would hope to undertake many such conferences and educational programs each year until the Center opens in 1994.

As you can see from this listing of programming concepts, we have been very active during the past eleven months, Mr. Chairman, and we will be even more active in the months ahead. I want to compliment the Commission members for their support. I also want to thank the hundreds of volunteers from Roger Stevens and Ambassador Wachtmeister to many lesser known but terribly knowledgeable people who have helped with this planning. And, of course, I want to state for the record how much we have enjoyed working with our partners in this enterprise -- the Pennsylvania Avenue Development Corporation and the General Services Administration. Hank Berliner was a superb chairman of PADC, and we look forward to working closely with Richard Hauser, the new chairman, in the future. The Acting Administrator of GSA -- Dick Austin -- has been extremely helpful to us as has been his National Capital Regional Administrator, Dick Hadsell. And we thank the Aspen Institute and its able President, David McLaughlin, for co-sponsoring at the Wye Plantation a stimulating conference on the goals and objectives of the ICTC.

And finally, I would like to suggest some areas where we need some help from the Committee and from the Congress in order to develop the Center to its full potential. First, it is necessary to resolve quickly the matter of the

Federal tenancy. As you know, there apparently was some misunderstanding at the time this legislation passed Congress as to whether the Department of Justice was to be accommodated in the Center as the major tenant. Attorney General Meese and the then GSA Administrator signed a memorandum of understanding in March 1988 that would have given nearly all of the Federal office space in the Center to the Justice Department for consolidation of its operations. As I mentioned earlier, the Commission did not come into existence until April 29, 1988, so it was not a party to this agreement. As soon as the Commission was advised as to the nature of the agreement, it voted overwhelmingly to seek USIA as the principal U.S. tenant and to help the Justice Department consolidate elsewhere in the City. The leadership of this Committee as well as the leadership of the Senate Committee on Environment and Public Works and many other key Congressmen and Senators have come forward to firmly support the ICTC Commission on this matter, but to date the issue is unresolved.

We believe that GSA Acting Administrator Austin has done all that he could to accommodate the Justice Department but so far without success. The Department of Justice must consider other alternatives. Needless to say, we believe that the Center cannot succeed in its mission if space in the Center is occupied to any significant extent by the Department of Justice. Foreign governments simply will not participate with us in this endeavor under those circumstances any more than we would if some government were to present us with a similar offer. The Justice Department, on the other hand, does need to consolidate its activities, and anything the Committee can do to help the Department get consolidated will be appreciated.

We will also need the Committee's help this year with some corrective amendments to the enabling legislation. Many of these were anticipated by the Committee at the time the legislation was being considered. For example, it was impossible to know at the time just how the Commission would wish to organize or what level of funding it would require. As an interim step, a limitation of 15 staff positions, only ten of which could be direct hires, was imposed until the Commission could get organized and describe what would be required to operate. Likewise, an annual limitation of one million dollars to be provided through reprogrammings by our constituent agencies was established as a spending ceiling. Although the Commission can live with these ceilings through September of this year, it is clear that we will need relief to operate effectively next year. With the assistance of Peat Marwick and GA/Partners, we have just completed management studies to determine what staffing and financial needs are anticipated. Organizational issues and long-range economic feasibility were looked at. Our conclusions indicated that a staff of approximately 25 will be required next fiscal year~~, with a budget~~ of approximately $3.5 million. By the time the building opens, we will need somewhere between 100 and 125 people. Many of these individuals will be government employees working on trade-related matters. Others will be privately funded. Ultimately, the Center will operate on proceeds from its operations, government funds, and private contributions. The long-range economic prospects for the Center are positive. Preliminarily, I would expect that we will be asking for a small appropriation annually until the Center is established and able to sustain the Commission's activities.

I also suspect that we will want to operate the day-to-day activities of the Center more like the Kennedy Center or the Smithsonian, as a nonprofit entity rather than as a government agency. I would anticipate recommending that the Commission be retained to set policy and to account for Federal funds, but that a nonprofit be chartered to handle daily operations. It is our belief that the many business and artistic decisions that the Center will have to make can be better accommodated in that manner.

I also feel that consideration should be given to adding the Secretary of the Treasury and the Secretary of Labor to the Commission as ex officio members. These two important Cabinet officers are key resources for us in planning our trade programs.

Finally, the limitation of ICTC activity to 500,000 occupiable square feet should be removed. The limitation was intended to ensure that federal office space would be the predominant use of the building, and that objective clearly will be met. It will simply make program planning and future operations smoother if we can be guided by project needs rather than by an arbitrary space allocation.

Once again I want to commend you, Mr. Chairman, for your leadership on this important initiative, and I hope you share with us the excitement we feel that the Center offers a long-term solution to the problem of how to deal with the trade crisis and make America truly competitive once again.

We look forward to working with you and your staff in shaping the necessary legislation for your consideration early this year.

Thank you.

I ask that the list of members of the ICTC Commission be placed in the record at this point.

UNITED STATES INTERNATIONAL CULTURAL AND TRADE CENTER COMMISSION

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Harry McPherson, Vice Chairman
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1301 Pennsylvania Avenue, N.W., #200
Washington, D.C. 20004
(202)376-3600 FAX: (202)376-2458

Mr. Bosco. The next witness is Jack Smith, Deputy Assistant Director of the Uniformed Division of the U.S. Secret Service, and Mr. Benson, and Mr. Lee, welcome.

Gentlemen, thank you for being here. We'll take any testimony that you'd like to give verbally, and put written testimony in the record.

TESTIMONY OF JOHN R. SMITH, DEPUTY ASSISTANT DIRECTOR, UNIFORMED DIVISION, U.S. SECRET SERVICE

Mr. Smith. Thank you, Mr. Chairman. I'd like to read an abridged version of the full text and we'll submit that for the committee.

What I'd like to present is basically a background and history of Uniformed Division, where we've come from and where we are today, particularly our relationship to this committee.

The Uniformed Division of the Secret Service began as the White House Police when it was established at the request of President Warren G. Harding on September 14th, 1922, through Public Law 76–300. The purpose in establishing this police force was to protect the Executive Mansion and grounds.

Since the inception of this force 67 years ago, and through its transition to the Executive Protective Service in 1970 and then to the Uniformed Division in 1977, there has been a close relationship between the Secret Service and this committee. The Service and this committee have worked together to obtain the necessary legislation for the Uniformed Division to keep up with its growing responsibilities.

As mandated under Title 3, Chapter 3, Sections 202 and 203 of the U.S. Code, the White House Police has grown from nine officers in 1922 to its current authorized level of 1,155 full time permanent officers. The Uniformed Division's responsibilities are divided into three branches; the White House, Foreign Missions and a Program Support Branch.

The White House Branch of the Uniformed Division is responsible for the security and physical protection of the White House complex. Over the years the size of this protective effort has grown. In July, 1982, the White House Branch assumed responsibility for the protection of the New Executive Office Building and in July of 1986, the Uniformed Division replaced the Treasury Police Force as the security force for the Main Treasury Building and the Treasury Annex.

Foreign Missions Branch. On March 19, 1970, Title 3, U.S. Code, Section 202 was amended by the passage of Public Law 91–270, which increased the protective responsibilities of the White House Police to include the protection of 189 foreign diplomatic missions located within the Washington, D.C. metropolitan area. Today the Uniformed Division is tasked with the protection of 432 foreign diplomatic missions. This protection is accomplished through the use of cruisers, motorbikes, foot patrols and fixed posts. The type of coverage that is provided to specific diplomatic locations is based on current protective intelligence and is reassessed regularly.

The Van Ness Center which is scheduled to be completed and fully occupied by March 1, 1990, is a 26-acre diplomatic community that will be located on International Drive in the District of Columbia. Currently there are five embassies located within the complex. Upon completion in 1990, 22 countries will locate additional foreign missions at the Center. Our proposed fiscal year 1990 budget requests additional officers to meet this expanded workload.

With the amendment of Public Law 93-552 in 1974, the Uniformed Division's Foreign Missions Branch established a special detail to provide protection for the Vice President, his immediate family and his temporary official residence at the Naval Observatory.

Relative to the Program Support Branch, the Uniformed Division supports all of the Service's protective divisions locally and out of town through the use of three highly trained support teams; the Counter Sniper Team, the Canine Team, and the Magnetometer Support Unit.

In May, 1971, the Counter Sniper Team was established with seven technicians, and has since grown to 30 technicians who are used through the United States in support of protective operations.

On May 1, 1976, the Uniformed Division Canine Unit was established with six teams, which has since expanded to 30 working teams. These teams are used to provide protective support, both locally and out of town. Coverage is provided 24 hours to the White House complex and to the Foreign Missions Branch. These teams regularly conduct security sweeps of vehicles and packages entering the White House complex and are used to provide security sweeps after receiving a bomb threat at the White House, or while investigating a suspicious package or vehicle in the White House area or in the area of a diplomatic mission.

On May 16, 1981, the Uniformed Division began operating magnetometer equipment outside of the White House complex in support of Presidential, Vice Presidential and Dignitary Protective Divisions. Prior to this, magnetometers were used only to screen tourists entering the White House. Based on the success of this program and the attempted assassination of President Reagan in that year, it was determined that the use of magnetometers on local and out-of-town details would provide a more secure environment for our protectees.

On behalf of our Director, John Simpson, and all of our employees, I'd like to thank the committee for the opportunity to testify before you today.

Mr. Bosco. Thank you very much.

Mr. Petri, do you have questions of Mr. Smith?

Mr. Petri. I just want to thank you for appearing before us and express appreciation for the very difficult and in some ways thankless and important work that you do.

Just one area where you might be able to give us some advice or reaction. This subcommittee actually has had hearings in the past on security arrangements for the protection of the Capitol Hill complex, and problems posed with the need for great public access and at the same time security. One of the changes that has been implemented this year in that connection was to eliminate Congressional license plates. If someone is waved in who has a license plate on their car that says U.S. Congressman, and those are easy to lift off a car or to take the car, it clearly is not very helpful from a security point of view.

Do you have comment at all on diplomatic license plates and whether it might make sense to use some other system, a sticker system or less obvious thing. You spend a lot of time protecting these people in certain situations, and on the other hand they drive around with a big sign saying, hey, look at me, I'm a foreign diplomat. I know it's useful, you can park and not get ticketed, perhaps, or you can claim immunity in one thing and another, but it does—you then wonder how serious people really are about all this security and the concerns they express and how much they're just trying to put on a little pomp and show, when you really get down to it. They feel they need to draw attention to themselves under some circumstances, and yet have all kinds of security and discretion under other circumstances.

I wonder if you could comment on that?

Mr. SMITH. Relative to the issuance of the license plates, that might more appropriately be addressed by the people from the State Department and Diplomatic Security Service who are scheduled to testify following us.

Our Uniformed Division protects the area of the Foreign Embassies themselves and so are not involved with the vehicles. When we, as a service, are engaged in the protection of Foreign Heads of State, we use our vehicles, which do not have such tags on them, so it's not a problem for us. But the State Department might better be able to answer your question.

Mr. Bosco. Thank you.

Mr. Parker?

Mr. PARKER. Thank you, Mr. Chairman.

I have to think about these license plates. I notice that all the foreign diplomats have American cars, and a lot of the Congressmen have foreign-made cars. And it's just an odd thing.

I really don't have a lot to say. Back home we've got a lot of nuts running around, but I didn't know there were that many—you know, we're not disproportionate. We seem to be disproportionate here in Washington.

I'm really going to recommend anything that you all want, simply because I'm not getting blamed if something happens. You know, we've got just too many crazy people.

Mr. SMITH. Thank you for your support.

Mr. Bosco. Thank you, Mr. Parker. Fortunately, we have none on this Subcommittee, so you're safe.

Mr. Cox?

Mr. Cox. I don't have any questions. I would like to say that I have observed first hand, working in the White House, the job that you do, and I think it's commendable and I hope that we can be of support to you here.

Mr. SMITH. Thank you.

Mr. Bosco. Well, I think Mr. Cox reflects all of our views. We want to be helpful to you, and appreciate the good work that you do, and hope that you continue to be successful in it.

Thank you very much.

Mr. SMITH. Thank you, Mr. Chairman.

[Mr. Smith's prepared statement follows:]

DEPARTMENT OF THE TREASURY
U. S. SECRET SERVICE
INTRODUCTORY STATEMENT OF
JACK SMITH
DEPUTY ASSISTANT DIRECTOR (UNIFORMED DIVISION)
U. S. SECRET SERVICE
FOR PRESENTATION TO THE SUBCOMMITTEE
ON PUBLIC BUILDINGS AND GROUNDS OF THE WHITE HOUSE COMMITTEE ON
PUBLIC WORKS AND TRANSPORTATION

The Uniformed Division of the Secret Service began as the White House Police when it was established at the request of President Warren G. Harding on September 14, 1922, through Public Law 67-300. The purpose in establishing this police force was to protect the Executive Mansion and grounds.

Since the inception of this force sixty-seven years ago, and through its transition to the Executive Protective Service in 1970 and then to the Uniformed Division in 1977, there has been a close relationship between the Secret Service and this committee. The Service and this committee have worked together to obtain the necessary legislation for the Uniformed Division to keep up with its growing responsibilities.

Mandated under Title 3, Chapter 3, Sections 202 and 203 of the United States Code, the White House Police has grown from nine Officers in 1922 to its current authorized level of 1,155 full time permanent Officers. The Uniformed Division's responsibilities are divided into three Branches; the White House, Foreign Missions and a Program Support Branch.

The White House Branch

The White House Branch of the Uniformed Division is responsible for the security and physical protection of the White House complex. Over the years the size of this protective effort has grown. In July 1982, the White House Branch assumed responsibility for the protection of the New Executive Office Building and in July of 1986, the Uniformed Division replaced the Treasury Police Force as the security force for the Main Treasury Building and the Treasury Annex.

Specific duties of the Branch include:

1. Protection of the President & First Family
2. Security of the White House and it's grounds
3. Security of the Treasury Building and the Treasury Annex
4. Security of the Old Executive Office Building
5. Security of the New Executive Office Building
6. Processing of all White House Complex Appointments

7. Escorting of workers within these buildings and grounds
8. Magnetometer Screening of Appointments & Visitors
9. Support for Presidential, Vice Presidential and Dignitary Protection Details (local and out-of-town)

The White House complex remains the top priority of the Uniformed Division. In June 1987, the Secret Service reassessed the security within the White House complex to determine if the existing staffing was adequate. It was determined that it was necessary to upgrade the existing post coverage and additional posting was implemented. Because personnel resources were already stretched to the limit this additional posting has been accomplished through the use of overtime. The Service has requested additional positions for the White House Branch in its FY 1990 budget in order to staff the upgraded post coverage.

Foreign Missions Branch

On March 19, 1970, Title 3, United States Code, Section 202 was amended by the passage of Public Law 91-270. Public Law 91-270 increased the protective responsibilities of the then White House Police to include the protection of 189 foreign diplomatic missions located within the Washington D.C., metropolitan area. Today, the Uniformed Division is tasked with the protection of 432 Foreign Diplomatic Missions. This protection is accomplished through the use of cruisers, motorbikes, foot patrols and fixed posts. The type of coverage that is provided to specific diplomatic locations is based on current protective intelligence and it is reassessed regularly.

The Van Ness Center is scheduled to be completed and fully occupied by March 1, 1990. This is a 26 acre diplomatic community that will be located on International Drive in the District of Columbia. Currently there are five embassies located within the complex. Upon completion in 1990, 22 countries will locate addition foreign missions at the center. Our proposed FY 1990 Budget requests additional Officers to meet this expanded workload.

With the amendment of P.L. 93-552 in 1974, the Uniformed Division's Foreign Missions Branch established a special detail to provide protection for the Vice President, his immediate family and his temporary official residence at the Naval Observatory.

The security facilities at the Vice President's Residence are antiquated and require updating. Of particular concern is the main gate entrance to the Naval Observatory. Contingent upon funds requested in our FY 1990 Budget, phase one of enhancements to the Naval Observatory will begin in 1990. This includes a hydraulic vehicle resistant gate, similar to the type currently in use at the White House and a vehicle inspection site. Concurrent with a new main gate, plans are underway to reconstruct and update the main guard booth to include an interview room, x-ray area, visitor pass section and magnetometer check point. In addition, the Service plans to reconfigure and add additional protection posts.

Program Support

The Uniformed Division supports all of the Service's protective divisions locally and out-of-town through the use of three highly trained support teams; the Counter Sniper Team, the Canine Team, and the Magnetometer Support Unit.

In May 1971, the Counter Sniper Team was established with seven technicians. The Counter Sniper Team now consists of thirty Uniformed Division technicians who are used throughout the United States in support of protective operations.

On May 1, 1976, the Uniformed Division Canine Unit was established with six canine teams. The Canine Unit has now expanded to 30 working teams. The canine unit is used to support protective details both locally and out-of-town. Coverage is provided 24 hours a day to the White House complex and the Foreign Missions Branch. These teams regularly conduct security sweeps of vehicles and packages entering the White House complex and are used to provide security sweeps after receiving a bomb threat or while investigating a suspicious package or vehicle in the area of the White House or a diplomatic mission.

On May 16, 1981, the Uniformed Division commenced operating magnetometer equipment outside of the White House complex in support of Presidential, Vice Presidential and Dignitary Protective Divisions. Prior to this, magnetometers were used only to screen tourists entering the White House. Based on the success of this program and the attempted assassination of President Reagan, it was determined that the use of magnetometers on local and out-of-town details would provide a more secure environment for our protectees.

On behalf of Director John Simpson, and all of the employees of the U. S. Secret Service, I would like to thank this committee for the opportunity to testify.

James J. Rowley Training Center
Status of Construction

History

In 1967, Executive Order 11348 established the Combined Federal Law Enforcement Training Center at Beltsville, Maryland (later called the Federal Law Enforcement Training Center or FLETC) as an entity within the Department of the Treasury. The facility was authorized to function as an interagency Federal Law Enforcement Training Center. The Secret Service was charged with conducting firearms training for all participating agencies at the Center. However, the major responsibility for the operation of this training facility rested with FLETC and not with the Secret Service.

The plan to build the entire FLETC at Beltsville was abandoned, and Congress directed that the Center be relocated to Glynco, Georgia. Congress stipulated that the Beltsville facility (its buildings and property) would come under the control of the U. S. Secret Service.

Since then, this Center, now known as the James J. Rowley Training Center, has been utilized in two specific ways. First, and most importantly, the Secret Service uses this secluded facility for training its Special Agents, Uniformed Division Officers and others in the techniques and procedures of protecting persons and property, as mandated by 18 U.S.C. 3056. Second, the Secret Service provides firearms training and requalification testing for Secret Service law enforcement personnel as well as for other Federal agencies. Up to 110 personnel receive training at the Center on a daily basis.

The variety of training offered at the James J. Rowley Training Center allows the Service to meet its particular needs. Prior to establishing the Center, various components of the protective forces had to train separately. This entailed minimal opportunities for training scenarios involving realistic and combined responses from all protection units. Continued development of the acreage at Beltsville allows for a totally integrated training program which enables all components to train together in a realistic environment. The continued use and expansion of this training facility is essential to the specialized requirements for training Special Agents and Uniformed Division Officers.

Project Description and Funding

In Fiscal Year 1982, the Service received $1,518,000 in Supplemental funding for construction of a roadway, firing range, and extension of electrical service at the James J. Rowley Training

Center, all part of an overall Master Plan for the facility. In Fiscal Year 1983 the Jobs Bill (P.L. 98-8) provided $3,154,000 for construction of a protective driver's training facility, a drainage pond, and a canine facility.

In March 1985, the National Capital Planning Commission approved a revision to our original Master Plan. The United States Secret Service, through the General Services Administration, awarded a contract to an architectural and engineering firm to design the remainder of a five-phase construction project.

In Fiscal Year 1986, the General Services Administration was appropriated $5,000,000 under the Federal Buildings Fund for construction at the James J. Rowley Training Center. Subsequently $215,000 of this appropriation was sequestered under application of the "Gramm-Rudman-Hollings" law. The remaining $4,785,000 is being utilized to construct Phases I and IV.

The Congress included an additional $6,000,000 (no-year funds) for Rowley Training Center construction in the Service's Fiscal Year 1987 appropriation. This will be used for Phase III construction.

In the Service's Fiscal Year 1988 appropriation, $5,000,000 (no-year funds) was provided for Phases II and V. An additional $2,500,000, to remain available until expended, was provided in the Service's Fiscal Year 1989 appropriation. These funds will be used for completion of the current Rowley Training Center Master Plan.

A timetable for all phases of the revised Master Plan follows:

Construction Timetable

October, 1987	- Construction began on Phases I and IV (Security and Computer Building and new main entrance, Protective Driver Training Course, Water Tower, Storm Water Drainage Pond #2, and Simulated Airport Apron).
March, 1988	- Final plans completed for Phase III (Tactical Response Training area, Observation Tower).
July, 1988	- Contract negotiations for Phase III began.
January, 1989	- Final plans completed for Phases II and V (Perimeter Road Network and Physical Training Building).

March, 1989 - Contract award on Phase III with commencement of construction in the Summer of 1989.

Spring, 1989 - Contract award with construction scheduled to begin on Phases II and V.

Spring, 1989 - Completion of Phases I and IV expected.

Fall, 1990 - Completion of Phase II expected.

Spring, 1991 - Completion of Phase III expected.

Summer, 1991 - Completion of Phase V expected.

Mr. Bosco. Next we have Clark Dittmer, the Director of Diplomatic Security for the Department of State, and Richard Faulk, Deputy Assistant Secretary for Operations of the State Department.

Do you all get along well enough to sit next to each other?

Mr. Dittmer. Most of the time, sir.

Mr. Bosco. Okay. [Laughter.]

Mr. Dittmer, first of all, welcome, and would you like to start, and we'll take anything that you don't say verbally and put it in the record if you'd like.

TESTIMONY OF CLARK DITTMER, DIRECTOR OF DIPLOMATIC SECURITY, BUREAU OF DIPLOMATIC SECURITY, DEPARTMENT OF STATE

Mr. Dittmer. Thank you, Mr. Chairman. In deference to everyone's time, I will condense my statement and just describe briefly the Department's protective programs and our fiscal year 1990 budget request for the protection of foreign missions and officials.

These protective programs respond to the United States Government's obligation under the Vienna Conventions and other international agreements to assure reasonable security for foreign missions and officials in the United States. The degree of protection provided to these dignitaries and their facilities directly affects the level of security provided for our diplomats and facilities abroad. To address this critical obligation, the Congress has created and the Bureau of Diplomatic Security administers two parallel programs in which we reimburse state and local law enforcement authorities and pay private contractors for extraordinary protective services provided to foreign missions and officials. To administer these programs in fiscal year 1990, the Department is requesting $9,100,000, the same appropriated in fiscal year 1989.

The first of our two parallel programs addresses reimbursement to New York City area police departments for extraordinary protection of foreign missions and officials accredited to the United Nations and other international organizations.

The U.S. Secret Service previously administered this program under Public Law 94-196, however, the specific reimbursement authority was transferred on October 1, 1984 to the Secretary of State by Executive Order 12478. Funds spent for extraordinary protective purposes are dispersed to New York City area policy departments for such services as static guard posts and security escorts. Also covered are security services provided to visiting foreign dignitaries, if the visit is connected with activities involving missions to the United States. The fiscal year 1990 request for this particular program is $7,022,000.

The second program operates under the 1985 amendment to the Foreign Missions Act, Public Law 98-164, and specifically authorizes extraordinary protection for foreign diplomats and their facilities in cities throughout the United States. This may be arranged either at the request of the foreign mission, when approved by the Department, or by the initiative of the Secretary of State whenever circumstances indicate the existence of an extraordinary threat. This authority permits the Department to use its own resources to employ the services of private security firms and reimburse state and local law enforcement authorities for extraordinary protective services they provide. The fiscal year 1990 request for this program is $2,078,000.

Those two programs add up to the $9,100,000 we are requesting this year, the same as was appropriated in 1989.

I will not make any further statements and turn it over to any questions you, Mr. Chairman, or members of your committee may have of me.

Mr. Bosco. Thank you.

Mr. Faulk, would you like to offer your testimony?

TESTIMONY OF RICHARD C. FAULK, DEPUTY ASSISTANT SECRETARY FOR OPERATIONS, DEPARTMENT OF STATE

Mr. Faulk. Certainly, Mr. Chairman. I, too, will try to be brief.

I appreciate the opportunity to be here this morning to talk to you and address any questions you or your committee may have on two projects that you are familiar with and involved with, the International Chancery Center, which was previously commented on by the Secret Service, and the National Foreign Affairs Training Center at Arlington Hall.

The International Chancery Center was established in 1965 stemming out of requests from foreign missions here for suitable space in the District of Columbia for their embassies and chanceries. In 1968, Public Law 90-553 was passed by Congress establishing the land previously held by the National Bureau of Standards on Connecticut Avenue and Van Ness Street, as the site for the Chancery Center.

Currently we have 23 separate lots on the Center. Currently 13 of those lots are under lease to foreign missions, with five chanceries already constructed. One international organization is also there, Intelsat, and we have two pending requests right now that we're reviewing in the Department. The remaining lot is being used for the Federal building under construction currently. That building will house the Uniformed Secret Service, the State Department's Offices of Foreign Missions and a segment of the Diplomatic Security Service.

The Public Law 99-93 established the International Center Federal Building, and we are seeking this year, authorization for establishing a revolving fund to pay for the long-term maintenance and upkeep of that building. That authorization has not yet been brought forward to the committee, or to our committees. It is still working its way through our own bureaucracy and OMB. But we expect it to be finalized this week.

As to Arlington Hall, the Department has long felt the need for a long-term training center for foreign affairs, and in 1985 Public Law 99-167 was enacted authorizing the transfer of 72 acres of the Arlington Hall Station in Arlington, Virginia to the Department of State for such a purpose.

On March 2 of this year, the National Capital Planning Commission approved the Department's master plan for the development of that site and we are now working on the design phase of the project. The total estimated cost of that project is $73 million.

Mr. Chairman, I'm willing to answer any questions you or your colleagues have for us this morning.

Mr. Bosco. Thank you very much.

Mr. Petri?

Mr. **Petri**. Yes, I just have a couple of questions. You heard the one I just directed to the Secret Service Mr. Dittmer. I wonder if you would want to respond to that?

Mr. **Dittmer**. Yes, sir. I'll try.

I think there's merit in what you say. For example, in our own system of trying to assure the safety of our officials overseas, our diplomats overseas, we frequently seek and obtain cooperation from the host government to put plates on our cars which will not identify our people as being the Chief of Mission, or a diplomat. We do that in certain high threat posts with the cooperation of the government. Sometimes you can't necessarily get the government's cooperation.

I think, as a general rule, the threat level in this Country is considerably less than certain locations overseas. And so if there's a particular need for that program here for foreign diplomats, I'm not sure. The other side of that is, that there are a lot of perks associated, as you pointed out, sir, with those plates, and perhaps that might be one of the reasons they have not made those kinds of requests of us. Although, we, on occasion, where we administer the program I just described, and we find that diplomat we think is under threat, and we provide him some extraordinary protective services, we have under those circumstances taken the plates off of his car and asked that he or she take them off during the duration of a high threat or something.

I hope that answered your question, sir.

Mr. **Petri**. I just would like to observe that I recognize the need of reciprocity and wanting to have good treatment of our representatives in other countries. But it does seem to me that it weighs on the issue of risk assessment and our need to protect people and expend resources to do that if they use these license plates. It is a big annoyance to American citizens, frankly. Because of our Country being based on the idea that we're all equal under the law and so on, and then we get the kids of these diplomats running people down and all kinds of problems that we have to hush up and work around. It would be better if we didn't have to do that in this day and age, frankly. It's fine if they want the privileges, they can take the risks, and that's an assessment that they make, that if they do in fact think that if an American Captain's wife is getting her station wagon bombed that it's possible that some foreign diplomat might get his bombed, especially if he's parading around listing himself as a diplomat, then we could reduce the use of these plates.

Mr. **Dittmer**. I probably would agree with you, sir. The system which the Foreign Missions Office in our Department administers these plates, but the system does protect—it doesn't readily identify which country, so in this particular city, of course, you see a tremendous amount of these plates. But unless you have access to a system which would identify which country is represented, you wouldn't know that. So, and that's supposed to be reasonably controlled. So there is a certain amount of degree of security, in the fact that you can't identify which country, which is not always the case in terms of other countries overseas where, for example, it used to be—and I don't know whether it's been changed or not, in Paris, if you saw a number six, you knew that it was an American Embassy diplomat driving that car.

Mr. **Petri**. Secondly, why is it that we pay the cost to the New York City police departments of the U.N. located there, rather than the U.N. doing that? Has thought been given as part of clearing up our arrears problem of transferring some of these costs to that organization, or else counting them as part of our assessment, something of that sort? It seems to me that we're not being given full credit for the cooperation that we're giving to the U.N. These are handled in the State Department's Budget, though they're occasioned by the location of the U.N. in New York, which is an international cost, not just an American taxpayer cost.

Mr. **Dittmer**. I think that question is outside my range of expertise, and of authority here. I can only talk in terms of our reimbursement program, which is to provide New York City reimbursement for the extraordinary protection they are required to provide to the numerous foreign missions accredited to the U.N.

In terms of your comments, sir, I'm really not in a position to address that.

Mr. **Petri**. Could I ask that you take the question to the State Department, and they submit some answer? The Congress has been very reluctant, as you know, to appropriate funds the last few years for a U.N. assessment. It's been editorialized about, and it is a legitimate concern. We perhaps could make some progress in addressing that issue and getting ourselves back as a full dues-paying member of the U.N. if we were to take a fresh look at all the costs and expenses here. Might you provide some——

Mr. **Dittmer**. Yes.

Mr. **Petri**. It's the beginning of a compromise is all I'm saying.

Mr. **Dittmer**. We'll do that.

Mr. **Petri**. Mr. Faulk, one last thing.

The Congress, as you know, has mandated in the last several, I believe, appropriation or authorization bills that the Secretary of State not be given an official residence. Senator Helms has been very clear on that, as well as some of us in the House, that we didn't want to start down the road of having Government financed residences for various cabinet officers, including the Secretary of State. That's in the law.

Now, I understand that a home in the Fox Hall area has been given to a foundation which expressed hope that it will become the residence of the Secretary of State. I hope you don't attempt to do by indirection what you can't do directly. I don't know if you'd like to comment on that. Are private monies currently being expended to bring that home up to Secretary of State standards? Are assessments being made of security arrangements that will be necessary to change that property to make it an acceptable residence for the Secretary of State? Where does that whole scheme stand?

Mr. **Faulk**. Well, Mr. Petri, let me say that I know no more about that than what I read in the Washington Post, that the private estate has been willed to the Department. The executor of the estate has not contacted my office, or any of the other offices in the Department that I'm aware of regarding the will and disposition.

We are very, very well aware of the law and would take no steps to violate the law. We are not making any assessments of that house. None of my staff has been to the estate to look at it, and I'm sure that Clark can talk about any security arrangements at the estate, if there have been any. I doubt there have.

Mr. DITTMER. Of course there haven't been any, sir.

Mr. BOSCO. Mr. Parker?

Mr. PARKER. Thank you, Mr. Chairman.

While they're responding to the question about the funds that we're spending in New York for protection, why don't you just get them to respond, let the Secretary of State, and the Department of State respond to what my colleague just brought up. I mean, go ahead and ask them.

Mr. DITTMER. Okay.

Maybe I should ask you, sir, if you could again phrase the question to me. Maybe I misunderstood you. I believe you said—maybe I shouldn't say what I believe, would you mind asking me again, sir?

Mr. PETRI. Oh, go ahead. [Laughter.]

I asked the question, you have some $7 million, I believe, for reimbursement to New York authorities for security costs occasioned by diplomatic missions being located in the New York area because they're accredited to the United Nations.

Mr. DITTMER. Yes.

Mr. PETRI. And my question is why is that being paid for by the American taxpayers rather than the bill being sent to the United Nations——

Mr. DITTMER. The international organization?

Mr. PETRI. Right. And other associate organizations on some equitable basis. Wouldn't it make more sense to do it that way. In a sense our Federal Government is a third party there. We do happen to be the host country, but these are local costs occasioned by this international organization, and you'd think they could deal directly. There would be some money that we could transfer to the U.N. account explicitly, rather than doing it and people not being aware that we are making that contribution. And we are not receiving credit for that contribution and other similar contributions that we are making to the United Nations as part of our assessment.

Mr. DITTMER. Okay.

I mean, of course, you are correct, sir, in saying that I believe that it is appropriate to say that the host country always incur the security costs associated with having guests in their country. I believe that's kind of a routine.

Mr. PETRI. So Vienna, Austria, pays for the U.N. organizations in Vienna?

Mr. DITTMER. I mean, they are responsible for the security of the people there. I'm making a policy statement, going beyond something I'm not sure I have total knowledge of this, but this is certainly how we always operate. We always look toward the host country as being ultimately responsible for—and of course, we normally ourselves——

Mr. **Petri**. Well, that would be in our interest to know if Switzerland pays for the various organizations in Geneva, rather than people visiting those organizations.

Mr. **Dittmer**. And I'm sure that is the case, but I can confirm that to you later.

The other side of it is, I think you were also suggesting that if, indeed the cost, instead of having that reflected in our say our budget, that maybe that ought to be reflected in the U.S. mission to the U.N.'s budget reflecting the overall cost. That's kind of another issue, but I think we probably ought to respond to formally later on that, which we will have to do.

Mr. **Parker**. As a corollary to that, though, I would like to also know what, when you talk about other countries, exactly what—the way we look at it and the way another country looks at it may be two different things. And I would like to know exactly how they approach things, these other countries that are providing these services, how do they—I may be totally wrong, but I've got a feeling we're taking some of the costs on that.

Mr. **Petri**. Maybe we could address that to those countries, embassies here in town, or something like that, and let them explain what they do rather than relying on our——

Mr. **Dittmer**. Well, I can state from personal experience I've observed as a security officer in many of our posts overseas, that what we get from most host governments far exceeds what we provide in this country. I mean we've got posts overseas where the host government is putting 100 people around our facilities, and you know, whereas, we may have a man on a motor scooter around their embassy here. Now, granted, the threat level is different. And so we do have a serious reciprocity problem, and we normally put that out in terms that the threat level is considerably different, and we protect you through more sophisticated ways of exchange of information, exchange of technology, you know, abetting all the stuff that comes to our attention, good intelligence reporting and so forth. Whereas they do more in terms of putting people with defensive equipment in front of our embassies and our residences overseas and so forth.

So there's no question about that, that we are getting a lot more in terms of resources from most.

Mr. **Petri**. Well, not to belabor the point, I mean it's—but just to add one other dimension to it—true in many of these cases that we are a much bigger, disproportionate presence in these countries. I served in Somalia for years. Their foreign ministry was three people, and we had 150 people in our embassy. You know, you have the foreign minister, the deputy foreign minister, a secretary, and that was it. You could see the fellow down at the local pub and talk to him. And our mission, we had more Marines attached. And we were providing more security costs and so on and so forth in that country than they certainly needed over here, since their country's ministry in the United States was maybe three or four people. And I think it's still that way.

So, we sometimes are an especially big target because we make ourselves that way.

Mr. **Dittmer**. That may be so, sir.

Mr. **Parker**. The only thing that I had to add, is that your job is a difficult job, and it's going to get more difficult as time goes on, because all the problems that we have seen overseas, they're going to be coming here, and they're going to get worse and worse, and worse. And I'm just glad I don't have to do your job.

Mr. **Dittmer**. Well, I hope you're wrong about your prediction, but thank you.

Mr. **Parker**. I'm not.

Mr. Bosco. Well, on that bright note, Mr. Cox, do you have any questions?

Mr. Cox. I do have one question about the chart that was attached to your statement. I realize that these are small numbers, and I'm hopefully not going to engage in anything that might look like micro-management. I only want to ask a question because I want to understand the chart.

Mr. **Dittmer**. Yes, sir.

Mr. Cox. Two of the entries, one for California State Police, the other for Miami, had no amounts in fiscal year 1985, and in fiscal year 1986 Miami had $19,000. In fiscal year 1988 there are relatively substantial sums, and I realize $119,000 for the U.S. Congress is not anything at all, but how is it that an account such as that goes from zero to something?

Mr. **Dittmer**. All right, sir.

In Miami it was due to the political instability in Panama and Haiti, which resulted in a lot of unrest and violence and threats to those country's consulates in Miami. So there we relied heavily upon the Miami Dade County Police Department to assist us in providing those diplomatic missions and personnel with protection.

In the California State Police, where you noted, which is in San Francisco where we're using that $119,000 in fiscal year 1988, that has to do with the Soviet Consulate there and a continuing threat situation that we see there in terms of harassment and so forth, and we have a contract with the California State Police to provide a guard presence, a police presence at the consulate.

Mr. Cox. How is that different from the line item for San Francisco?

Mr. **Dittmer**. Okay.

It's the same. It should be, I don't know why we have—San Francisco, it shows $2,000 and that would be for any extraordinary, but the one, the specific item the California State Police has to do with the Soviet Consulate and the contract there.

Mr. Cox. Just as a follow-up item, I don't know what the California State Police is. I'm not aware that we have one in California. We have a State Highway Patrol.

Mr. **Dittmer**. It's the State police out of Sacramento, California.

Mr. Cox. The Capitol Police?

Mr. **Dittmer**. It used to be the Capitol Police.

Mr. Cox. I see, okay.

Mr. **Dittmer**. And so they provide services for California State facilities and a bunch of services.

Mr. Cox. I appreciate it. Thank you very much. No further questions.

Mr. **Dittmer**. You're welcome, sir.

Mr. Bosco. Thank you very much, gentlemen. We appreciate your presence here today.

[The prepared statements of Mr. Dittmer and Mr. Faulk follows:]

Department of State

Protection of Foreign Missions and Officials

Statement of

Clark M. Dittmer

Director, Diplomatic Security Service

Bureau of Diplomatic Security

before

The House Subcommittee on Public Building and Grounds

of the

Public Works and Transportation Committee

Mr. Chairman and Members of the Subcommittee:

I am pleased to appear before this Subcommittee to discuss the Department's protective programs and our FY 1990 budget request for the Protection of Foreign Missions and Officials.

These protective programs respond to the United States Government's obligation under the Vienna Conventions and other international agreements to assure reasonable security for foreign missions and officials in the United States. The degree of protection provided to these dignitaries and their facilities directly affects the level of security provided for our diplomats and facilities abroad. To address this critical obligation, the Congress has created and the Bureau of Diplomatic Security administers two parallel programs in which we reimburse state and local law enforcement authorities and pay private contractors for extraordinary protective services provided to foreign missions and officials. To administer these programs in FY 1990, the Department is requesting $9,100,000 -- the same level appropriated in FY 1989.

The first of our two parallel programs addresses reimbursement to New York City area police departments for the extraordinary protection of foreign missions and officials accredited to the United Nations and other international organizations.

The U.S. Secret Service previously administered this program under Public Law 94-196 however, the specific reimbursement authority was transferred on October 1, 1984 to the Secretary of State by E.O. 12478. Funds spent for extraordinary protective purposes are dispersed to New York City area police departments for such services as static guard posts and security escorts. Also covered are security services provided to visiting foreign dignitaries, if the visit is connected with activities involving missions to the United Nations. The FY 1990 request for this program is $7,022,000.

The second program operates under the 1985 amendment to the Foreign Missions Act, P.L. 98-164, and specifically authorizes extraordinary protection for foreign diplomats and their facilities in cities throughout the United States. This may be arranged either at the request of a foreign mission, approved by the Department, or by the initiative of the Secretary of State, whenever circumstances indicate the existance of an extraordinary threat. This authority permits the Department to use its own resources, to employ the services of private security firms and to reimburse state and local law enforcement authorities for extraordinary protective services they provide. The FY 1990 request for this program is $2,078,000.

I would like to highlight two of our efforts in the past fiscal year regarding these programs. First, one goal of the Bureau of Diplomatic Security has been to educate state and local law enforcement authorities concerning all facets of diplomatic life in the United States, particularly as regards security considerations. To this end, we have continued our local law enforcement seminars in Miami, Boston, Philadelphia, Houston and other cities around the country. The most significant result of these presentations has been an increased awareness and better understanding of the security needs of foreign diplomats by local and state law enforcement authorities. Another benefit of these seminars is that the actual level of protective assistance provided without charge by local and state law enforcement to foreign diplomats and their facilities appears to have increased. Second, to enhance our program which addresses procedural security concerns of resident foreign missions, a presentation has been made to the Washington diplomatic community. The briefing provided a thorough explanation of the expertise available and sensitized the diplomatic community to security issues.

This concludes my statement. I would be pleased to respond to any questions from the Chairman or subcommittee members.

PROTECTION OF FOREIGN MISSIONS AND OFFICIALS
OBLIGATIONS FY 1985-1989
($ in thousands)

CITY	FY 1985	FY 1986	FY 1987	FY 1988	FY 1989
I. U.N. Program - NYC	$6,567	$6,699	$6,827*	$7,000	$--
II. PL 98-164 - Other Cities					
New York City	361	818	752	231	
Glen Cove, N.Y.	69	122	125	137	
Mamaroneck, N.Y.	--	9	--	--	
Nassau County, N.Y.	--	2	4	9	
Port Authority, N.Y./N.J.	--	120	115	102	
Los Angeles, CA.-Pinkerton	436	640	693	718	
San Francisco, CA.	9	7	35	2	
California State Police	--	--	49	119	
Washington, D.C.	51	52	57	62	
Atlanta, GA.	--	1	--	--	
Boston, MA.	--	1	3	--	
Newton, MA.	--	5	--	--	
Chicago, IL.	12	15	2	2	
Dallas, TX.	--	--	3	--	
Houston, TX.	5	3	9	--	
Miami, FL.	--	19	15	260	
Coral Gables, FL.	--	18	4	--	
Philadelphia, PA.	--	2	--	--	
Honolulu, HA.	--	--	--	2	
Equipment/Admin/Travel	43	61	60	63	
Subtotal II.	$986	$1,895	$1,926	$1,707	$344
Total, PFMO	$7,553	$8,594	$8,753*	$8,707	$344

*Includes $112,000 from No-Year funds transferred with the UN program to the Department of State by Treasury in 1985. Of the total $4,200,000 transferred by Treasury to State, $3,812,000 has been obligated to cover past due bills incurred by police departments on behalf of Treasury and adjudicated by State. Consequently, $388,000 of this No-Year funding is still available.

Statement By
Deputy Assistant Secretary for Operations
Richard C. Faulk
before the
Public Buildings and Grounds Subcommittee
of the
Committee on Public Works and Transportation
House of Representatives

March 16, 1989

Mr. Chairman and Members of the Subcommittee:

I appreciate the opportunity to appear before you today to address questions that you may have concerning the International Center and the National Foreign Affairs Training Center at Arlington Hall.

The International Center was originally conceived in the early 1960's by Mr. William Crockett, formerly the Deputy Under Secretary of State for Management. Mr. Crockett's concept for an International Center was initiated in response to requests from several foreign chiefs of mission to assist them in locating suitable facilities for their chanceries in the District of Columbia.

The Center was established in 1965 on a forty-seven acre site located at Connecticut Avenue and Van Ness Street, on the original 69 acre site of the National Bureau of Standards. The remaining twenty-two acres of the site belongs to the University of the District of Columbia. The land was formally transferred to the Department of State by Public Law 90-553, passed by the Congress in 1968.

The International Center consists of twenty-three separate lots. There are currently thirteen lots under lease with five chanceries constructed. One international organization, Intelsat, has also built at the International Center site. Six lots are being held pending a final decision on leasing. Two requests to hold lots are under review by the Department and one lot is still available. The remaining lot is being used for the new Federal Building now under construction. Given the demand for chancery sites in the city, the Department is already contemplating seeking an additional site for more chanceries, but no plans have been made and no request for federal land has been sought.

Prices charged for the lots were based on development costs and have been gradually increased over a ten year period from $10.00 per square foot to $15.50 per square foot. Terms of the leases are ninety-nine years with an option to renew for an additional ninety-nine years.

The establishment of a Federal Building at the International Center was authorized by Public Law 99-93, Section 124, which requires the Department of State to centrally locate the various organizations which provide services to the foreign missions located at the Center, as well as to the other foreign missions located throughout Washington. Some of these services include the issuance of Diplomatic I.D. cards and Diplomatic license plates, assistance with customs and diplomatic protection. Tenants of the Federal Building will include elements of the Department's Bureau of

Diplomatic Security and the Office of Foreign Missions as well as the Uniformed Division of the Secret Service.

Operation and maintenance of the Federal Building is the responsibility of the Department's Bureau of Administration and Information Management. Rental charges paid by the tenants of the Federal Building are necessary to cover operating costs and to provide administrative services to the tenants. These services include: cleaning, utilities, landscaping, snow removal, guards, maintenance of equipment and machinery, shuttle bus service between the International Center and State Department, and life cycle replacement of building equipment.

Current legislation requires that rental fees paid out of appropriated funds be expended during the fiscal year in which they are collected. This does not allow for monies to be set aside to pay for future building repairs. The Department is currently seeking authorization to charge tenant agencies for use of the space in the Federal Building and to transfer these funds into a revolving fund account for use in succeeding years for building maintenance and repairs.

Turning now to Arlington Hall, the Department has long felt the need to consolidate its various training facilities, currently located in rental space in Rosslyn and at other sites in the metropolitan area. This goal came nearer to becoming a reality when, in December of 1985, Public Law 99-167 was enacted which authorized the transfer of approximately seventy-two acres of Arlington Hall Station to the State Department for use as a center for the training and instruction of personnel in the field of foreign relations. The Army currently has facilities on the site but is in the process of relocating them to Ft. Belvoir.

On March 2 of this year, the National Capital Planning Commission approved the Department's Master Plan for the National Foreign Affairs Training Center to be built at Arlington Hall. We are now in the design phase of the project. The Department will take responsibility for the site in October, 1989, when the Army vacates Arlington Hall Station. Site preparation and demolition will begin at that time. Construction will begin sometime in the summer of 1990 with a scheduled completion date of mid to late 1992 or early 1993.

The total estimated cost of the project will be $73 million. Of this amount, $4 million was obligated in FY 1987 for architectural and engineering (A&E) studies and design work. The FY 1989 appropriation provides $30 million for initial construction, site preparation, removal of asbestos and PCB's, and demolition of existing structures. The remaining

$39 million is in the Department's FY 1990 budget request.

The Department has been working very closely with Arlington County to address some areas of concern including joint recreational use, parking, and a bicycle path. We have incorporated many changes in our Master Plan requested by the County and local neighborhoods while still meeting our objectives and remaining within our budget. And, we are continuing to work with the County in an effort to resolve as many of these issues as possible. We fully intend to be good neighbors and want to be a positive addition to the Arlington County community and the surrounding neighborhoods.

Thank you Mr. Chairman. I am prepared to answer any questions you or any members of the Subcommittee may have either on the International Center or the National Foreign Affairs Training Center.

Mr. Bosco. And if there's no further business, I'd like to thank the Members and we'll call this meeting adjourned.

[Whereupon, at 12:20 p.m., the subcommittee was adjourned, to reconvene at the call of the chair.]

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